# Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
http://www.de-pere.org

**Regular Meeting**

**Revised Agenda**

**Tuesday, July 10, 2018** | **7:30 PM** | **De Pere City Hall Council Chambers**

Pursuant to Wisconsin Statutes 19.84, Notice is hereby given to the public that a meeting of the **Finance/Personnel Committee** of the City of De Pere will be held on **July 10, 2018** at **7:30 PM** in the **De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI 54115.**

***This meeting can be viewed LIVE at www.depere.tv. This meeting is also rebroadcast on TW Cable Channel 4 and AT&T U-verse Channel 99 throughout the week and available on demand at www.depere.tv.***

Call to Order

1. Roll Call
2. Approval of the Minutes of the June 12, 2018, Regular Meeting of the Finance/Personnel Committee.
3. Public Comment and announcements.
4. Fire Department Overtime and LifeQuest Services Billing Reports for June, 2018.
5. Approval of Police Overtime for June 2018
6. Approval of Donation from De Pere Christian Outreach to the Police Department K-9 Fund*
7. Approve $250 donation from the Kress Inn and Bemis Conference Center in support of De Pere TV.*
8. Approval of Updated Agreement with Bellin Health to conduct Health Assessments*
9. Approval of Updated Funeral Leave Policy*
10. Consideration of adopting an ordinance to create a Sustainability Commission (request of Ald. Nelson).*
11. Presentation of 2017 Preliminary Audit Management Letter and Financial Statements.*
12. Consideration of Request of Virginia Huempfner for Deferment of Sidewalk Repair Assessments *

    PLEASE TAKE NOTICE, that pursuant to Wis. Stats. §19.85(1)(f), the Committee may convene in closed session for the purpose of considering financial, medical, social or personal histories or disciplinary data of specific persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.
    The Committee may then reconvene in open session to take action on any matter discussed in closed session or for such other purposes as are allowed by law.

13. Update on Hope Lutheran Church v. City of De Pere Litigation*

    PLEASE TAKE NOTICE, that pursuant to Wis. Stats. §19.85(1)(g), the Committee may convene in closed session for the purpose of conferring

with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.
The Committee may then reconvene in open session to take action on any matter discussed in closed session or for such other purposes as are allowed by law.

14. Future agenda items.

15. Adjournment

Notice is also given that a majority of the members of the Common Council of the City of De Pere will attend this meeting to gather information about a subject(s) over which they have decision-making responsibility. As such, this committee meeting is also considered a meeting of the Common Council.

Any person wishing to attend this meeting who, because of disability, requires special accommodations should contact the Clerk-Treasurer's office at 339-4050 by Noon, the previous day so that arrangements can be made.

***Items with an asterisk require City Council approval.**

Agenda Sent To:
Alderpersons
City Administrator
Mayor
Department Heads
TV, Newspapers & Radio Stations
Kress Family Library
De Pere Chamber of Commerce
Virginia Huempfner

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **City Attorney** |
| **FROM:** | **Angela Zills** |
| **SUBJECT:** | **Approval of the Minutes of the June 12, 2018, Regular Meeting of the Finance/Personnel Committee.** |

**ATTACHMENTS:**

- June 12, 2018 DRAFT Minutes (PDF)

# Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
http://www.de-pere.org

## Regular Meeting

## Draft Minutes

**Tuesday, June 12, 2018** | **7:30 PM** | **De Pere City Hall Council Chambers**

1. Call to Order. Mayor Walsh called the regular meeting of the Finance/Personnel Committee to order at 7:30 PM on Tuesday, June 12, 2018, at De Pere City Hall Council Chambers, 335 South Broadway Street, De Pere, Wisconsin 54115.

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Scott Crevier | Alderperson | Present | |
| Ryan Jennings | Alderperson | Present | |
| Larry Lueck | Alderperson | Excused | |
| Casey Nelson | Alderperson | Present | |
| Michael J. Walsh | Mayor | Present | |

Also Present: City Administrator Lawrence Delo, City Attorney Judith Schmidt-Lehman, Video Production and Marketing Coordinator Kevin Clark, Development Services Director Kimberly Flom, Finance Director Joe Zegers, Police Chief Derek Beiderwieden and Fire Chief Alan Matzke.

2. Approval of the Minutes of the May 8, 2018, Regular Meeting of the Finance/Personnel Committee.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Casey Nelson, Alderperson |
| **SECONDER:** | Ryan Jennings, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

3. Public Comment and announcements.

None.

4. Fire Department Overtime and LifeQuest Services Billing Reports for May, 2018.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Michael J. Walsh, Mayor |
| **SECONDER:** | Scott Crevier, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

5. Approval of Police Overtime for May 2018.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Scott Crevier, Alderperson |
| **SECONDER:** | Casey Nelson, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

6. Consider revised Emergency Medical Service Medical Director Agreement for Fire Department. *

Alderperson Crevier asked for an explanation of the key differences, to which Chief Matzke advised that no service terms have changed; this is a change in responsible party from BayCare Clinic to BayCare Aurora, who will now be supporting Dr. Stroman for City's medical direction services. Alderperson Nelson asked if there is any backup for Dr. Stroman, and Chief Matzke indicated that backup is provided by Dr. Stroman's physician partners who are looking to expand in community and pre-hospital care services. In response to Alderperson Nelson's question on replenishing supplies, Chief Matzke advised that medications used en route to a hospital are replenished by that hospital and billed to the City. Other medications and supplies are replenished through Aurora because of this relationship, and Aurora is able to provide those items at a very competitive rate and work as a storehouse to allow the City to buy in a low quantity, which avoids bulk purchasing and the expiration of items, minimizing waste and managing costs. Alderperson Nelson thanked Aurora and Dr. Stroman for providing this service to the City.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Ryan Jennings, Alderperson |
| **SECONDER:** | Casey Nelson, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

7. Consider emergency repair to VFW Pool boiler.*

Alderperson Jennings asked about receipt of the needed part and was advised by the Director of Parks, Recreation & Forestry, Marty Kosobucki, that the part was anticipated today (June 12), but should be in tomorrow. The pool is operational, but the temperature is cooler. He further advised the Committee that another issue discovered with the mechanical panel is currently being fixed also, with the pool scheduled to reopen tomorrow, June 13.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Casey Nelson, Alderperson |
| **SECONDER:** | Ryan Jennings, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

8. Approval of $715 donation from Nicolet Bank to Police Department.*

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Casey Nelson, Alderperson |
| **SECONDER:** | Scott Crevier, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

9. Consider Videography Agreement between the City of De Pere and the Central Brown County Water Authority (CBCWA) for a historical documentary video created for the CBCWA.*

In response to Alderperson Crevier's question, Kevin Clark, Video Production and Marking Coordinator, advised that the intent of this project is to create a single video, approximately 20 minutes in length.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Michael J. Walsh, Mayor |
| **SECONDER:** | Casey Nelson, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

10. Request for Commercial Plan Review Delegation and Proposed Fee Schedule *

Alderperson Nelson asked why the state is back-logged which Administrator Delo confirmed is due to a lack of staff. Development Services Director (DSD) Flom advised that the fees will be set the same as the state is currently charging, and a discussion followed regarding the size of a 50,000 cubic feet building. Alderperson Jennings asked about staff capacity to perform extra inspections and approvals to which DSD Flom advised the City will be strategic in its reviews and will start with smaller projects in an effort to keep projects moving. A discussion followed regarding the City possibly spot-checking other contractors who obtain certification to relieve some of the work. DSD Flom advised that smaller permits aren't always followed up, but the permit ensures the proposed work meets code and informs property owners. Alderperson Crevier asked whether fees are based on square feet or cubic feet, and DSD Flom advised that the fee structure comes from the state and the intent is to mirror what state charges. Administrator Delo added that square feet is better for projects within the City due the way plans are submitted and that cubic feet is being used as a measurement by the state as to when a municipality can or cannot perform the inspection.

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Casey Nelson, Alderperson |
| **SECONDER:** | Ryan Jennings, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

11. Sale and Purchase Agreement Terms with CMR, LLC for property located at 1512-1536 American Court (Parcel WD-1626). *

Alderperson Nelson asked about how the percentages are negotiated to which Development Services Director (DSD) Flom advised that after interest is expressed in a property in writing, a discussion occurs regarding the building project, the estimated guaranteed assessed value, and the project is run through the TID model. Further, the incentive also depends upon the economic time, with the goal being that the City ultimately gains more increment over the life of the project than is given out. This project is a new business, and TID #11 has length left in it. Administrator Delo added that other factors include how many jobs are being added, a business filling a void in the community or bringing in higher paying positions. Alderperson Jennings asked about eligibility for a revolving loan fund, and DSD Flom confirmed that this is an eligible project, similar to Battlehouse, where the Developer will own the building and lease to a tenant (climbing facility business).

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|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Michael J. Walsh, Mayor |
| **SECONDER:** | Scott Crevier, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

12. Consideration of Proposed Redevelopment of 428 N. Superior Street ( Irwin School) and hiring Robert W. Baird & Co for consulting work on creating TID #14 for such redevelopment *

Alderperson Nelson asked about the TID limit to which Development Services Director (DSD) Flom advised that the City is just over 10 percent, and this project would result in only a small increase, and the City would still be well within the range. She further added that TID #6 will be expiring soon and TID #5 shortly thereafter.

Alderperson Crevier asked if it is correct that TID #14 would be backdated to Jan 1, and DSD Flom advised that if a Council resolution is passed prior to the end of September and paperwork is submitted to the state in October, the TID creation is backdated to the preceding January 1. In addition, DSD Flom explained that TID #13 creation was done by Baird, and since quotes were recently obtained approximately a year ago, quotes were not again obtained for TID #14 work; Baird also provided proforma pro bono work to help the City understand the project. Alderperson Jennings confirmed that this project will retain the school building and add additional buildings to it, and DSD Flom added that Milwaukee View has experience with these types of projects and proposes to convert the school building into 6-8 condos and create 10-12 additional townhomes. This incentive is a higher percentage than industrial park property, as it is too small to qualify for HUD financing and historical tax credits were also not an option. Alderperson Jennings asked about the incentive amount, and DSD Flom advised that the incentive will be 33 to 38 percent, as downtown projects are more complicated, but there will still be some negotiation on the proposed final assessed value. Alderperson Crevier asked about timing, and DSD Flom advised that Baird will begin work on TID formation and staff would start working with Developer for terms of an Agreement and zoning approvals to run parallel, with construction starting this fall. Alderperson Nelson confirmed that 38 percent would be the highest incentive amount. Administrator Delo added that the goal of this project is to make the site viable again and to save the building; the incentive amount is higher to make it work for this developer to save the building.

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|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Casey Nelson, Alderperson |
| **SECONDER:** | Michael J. Walsh, Mayor |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

13. Approval of Preliminary 2018 Borrowing*

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|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Michael J. Walsh, Mayor |
| **SECONDER:** | Casey Nelson, Alderperson |
| **AYES:** | Scott Crevier, Ryan Jennings, Casey Nelson, Michael J. Walsh |
| **EXCUSED:** | Larry Lueck |

14. Future agenda items.

    None.

15. Update on the Status of Collective Bargaining with Police and Fire Unions.

    Mayor Walsh made a motion, seconded by Alderperson Jennings, to go into closed session at 8:02 PM. Upon roll call vote, motion carried unanimously.

    Mayor Walsh moved to reconvene in open session, seconded by Alderperson Jennings, at 8:20 PM. Upon roll call vote, motion carried unanimously.

| | |
|---|---|
| **RESULT:** | **NO ACTION** |

16. Adjournment.

    Upon Motion of Mayor Walsh, seconded by Alderperson Crevier, the Finance/Personnel Committee unanimously adjourned at 8:21 PM.

Respectfully submitted,
Angela Zills

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **Fire Department** |
| **FROM:** | **Lea Taylor** |
| **SUBJECT:** | **Fire Department Overtime and LifeQuest Services Billing Reports for June, 2018.** |

**ATTACHMENTS:**

- FIRE DEPT OT REPORT JUNE 2018 (PDF)

# DE PERE FIRE RESCUE
## OVERTIME BREAKDOWN BY REASON
## FOR THE YEAR OF 2017

| REASON | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DUTY CREW | 219.75 | 184.50 | 154.50 | 147.00 | 184.75 | 75.00 | 132.00 | 78.00 | 51.00 | 100.25 | 54.00 | 168.00 | 1,548.7 |
| EMS TRAINING | 24.00 | 257.50 | 72.00 | 40.50 | 89.00 | 0.00 | 0.00 | 0.00 | 75.00 | 81.00 | 81.00 | 66.50 | 786.5 |
| FIRE TRAINING | 35.00 | 0.00 | 10.50 | 89.50 | 316.25 | 21.25 | 12.75 | 0.00 | 3.75 | 54.25 | 22.25 | 62.50 | 628.0 |
| RESCUE CALLS | 5.50 | 6.75 | 39.25 | 8.50 | 6.00 | 9.25 | 0.00 | 19.50 | 7.25 | 18.00 | 6.75 | 8.50 | 135.2 |
| FIRE CALLS | 0.00 | 0.00 | 8.75 | 0.00 | 0.00 | 0.00 | 6.00 | 0.00 | 1.25 | 0.00 | 0.00 | 14.50 | 30.50 |
| MEETINGS | 37.00 | 55.25 | 60.00 | 53.00 | 16.75 | 22.50 | 5.25 | 0.00 | 15.00 | 32.00 | 33.25 | 4.50 | 334.5 |
| STAFFING REP. | 34.50 | 0.00 | 0.00 | 72.00 | 99.75 | 72.00 | 64.25 | 0.00 | 20.25 | 11.00 | 85.50 | 36.00 | 495.2 |
| MAINTENANCE | 0.00 | 0.00 | 0.00 | 0.00 | 0.75 | 14.25 | 0.00 | 0.00 | 0.00 | 16.50 | 12.00 | 0.00 | 43.50 |
| PUB. ED. | 9.75 | 0.00 | 9.00 | 15.00 | 3.75 | 5.00 | 0.00 | 3.75 | 9.00 | 81.25 | 0.00 | 0.00 | 136.5 |
| SPECIAL EVENTS | 0.00 | 0.00 | 0.00 | 0.00 | 274.00 | 0.00 | 0.00 | 29.50 | 66.00 | 22.50 | 6.00 | 0.00 | 398.0 |
| # FIRE RUNS | 42.00 | 32.00 | 33.00 | 15.00 | 35.00 | 31.00 | 41.00 | 41.00 | 22.00 | 31.00 | 25.00 | 48.00 | 396.0 |
| # EMS RUNS | 174.00 | 163.00 | 172.00 | 178.00 | 187.00 | 180.00 | 170.00 | 182.00 | 161.00 | 180.00 | 151.00 | 204.00 | 2,102.0 |
| DISPATCH ERRORS | 2.00 | 5.00 | 7.00 | 7.00 | 0.00 | 6.00 | 4.00 | 1.00 | 1.00 | 3.00 | 4.00 | 1.00 | 41.00 |
| TOTAL HRS. | 365.50 | 504.00 | 354.00 | 425.50 | 991.00 | 219.25 | 220.25 | 130.75 | 248.50 | 416.75 | 300.75 | 360.50 | 4,536.7 |

## OVERTIME BREAKDOWN BY REASON
## FOR THE YEAR OF 2018

| REASON | Jan.* | Feb.** | Mar. *** | Apr.+ | May++ | June+++ | July^ | Aug.^^ | Sept.^^^ | Oct.# | Nov.## | Dec.### | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DUTY CREW | 153.00 | 117.00 | 196.50 | 190.25 | 135.00 | 129.00 | | | | | | | 920.75 |
| EMS TRAINING | 79.50 | 31.50 | 98.00 | 67.00 | 61.50 | 17.75 | | | | | | | 355.25 |
| FIRE TRAINING | 21.75 | 31.50 | 24.00 | 18.00 | 94.25 | 16.00 | | | | | | | 205.50 |
| RESCUE CALLS | 17.00 | 6.75 | 16.50 | 10.50 | 4.00 | 10.75 | | | | | | | 65.50 |
| FIRE CALLS | 1.00 | 4.00 | 0.50 | 1.25 | 0.00 | 0.00 | | | | | | | 6.75 |
| MEETINGS | 30.25 | 41.25 | 10.50 | 12.75 | 3.75 | 5.50 | | | | | | | 104.00 |
| STAFFING REP. | 0.00 | 0.00 | 77.25 | 109.00 | 93.75 | 36.00 | | | | | | | 316.00 |
| MAINTENANCE | 26.50 | 6.75 | 0.00 | 0.00 | 0.00 | 0.00 | | | | | | | 33.25 |
| PUB. ED. | 13.50 | 0.00 | 17.75 | 0.75 | 14.25 | 6.00 | | | | | | | 52.25 |
| SPECIAL EVENTS | 58.75 | 0.00 | 0.00 | 0.00 | 211.50 | 0.00 | | | | | | | 270.25 |
| # FIRE RUNS | 39.00 | 35.00 | 31.00 | 47.00 | 38.00 | 39.00 | | | | | | | 229.00 |
| # EMS RUNS | 193.00 | 168.00 | 164.00 | 196.00 | 179.00 | 179.00 | | | | | | | 1,079.0 |
| DISPATCH ERRORS | 6.00 | 1.00 | 2.00 | 4.00 | 5.00 | 4.00 | | | | | | | 22.00 |
| TOTAL HRS. | 401.25 | 238.75 | 441.00 | 409.50 | 618.00 | 221.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,329.5 |

**Special Events included in Overtime**

**Total Overtime Budget $95,000, Expenditures through July 3, 2018 $49,537, 52%**

| | | | |
|---|---|---|---|
| *Period: 12/30/17-01/26/18 | +Period: 03/24/18-04/20/18 | ^Period: | #Period: |
| **Period: 01/27/18-02/23/18 | ++Period: 04/21/18-06/01/18 | ^^Period: | ##Period: |
| ***Period: 02/24/18-03/23/18 | +++Period: 06/02/18-06/29/18 | ^^^Period: | ###Period: |

**DE PERE FIRE RESCUE**
**OVERTIME CAUSED BY SICK LEAVE**
**JUNE, 2018**

| DATE | HOURS OF SICK LEAVE | OVERTIME PAID |
|---|---|---|
| | | |
| | | |
| TOTAL | 0 | 0 |

*Overtime generated when staffing levels fall below minimum as a result of sick leave.

# DE PERE FIRE RESCUE
## STRUCTURAL FIRE "STILL" ALARMS FOR JUNE 2018

| Date | Incident Location | Reported Situation | Units Dispatched | Disposition | Mutual Aid Received |
|---|---|---|---|---|---|
| 06/02/2018 | 2174 Balsam Way (Village of Ashwaubenon) | Fire in structure other than building | C102, L111 | Dispatched & Canceled en route | N/A |
| 06/02/2018 | 2108 S. Broadway, #7 | Outside rubbish, trash or waste fire | A111, E111, E121 | Investigate, extinguishment by fire service personnel | N/A |
| 06/02/2018 | 1700 Chicago Street | Malicious false alarm | E111, E121 | Investigate | N/A |
| 06/06/2018 | 2678 Timber Lane (Village of Ashwaubenon) | Structure fire | L111 | Dispatched & Canceled en route | N/A |
| 06/07/2018 | 100 Lawrence Drive | Authorized controlled burn | C102, A111, E111, E121 | Investigate | N/A |
| 06/08/2018 | 1250 Glory Road (Village of Ashwaubenon) | Building fire | C102, L111 | Incident command | N/A |
| 06/11/2018 | 1104 Chicago Street | Gas leak | A111, E111 | Investigate | N/A |
| 06/12/2018 | 1019 Coral Street | Outside rubbish, trash or waste fire | E111, E121 | Extinguishment by fire service personnel | N/A |
| 06/13/2018 | 1233 O'Keefe Court | Smoke detector activation, no fire, unintentional | E111 | Investigate | N/A |
| 06/13/2018 | 1244 S. Erie Street | Cooking fire, confined to container | C102, C102, E111 | Ventilate | Auto Aid Dispatched & Canceled |
| 06/14/2018 | 338 S. Erie Street | Hazmat release investigation, without hazmat | E111 | Investigate | N/A |
| 06/14/2018 | 1800 Commerce Drive | Building fire | C101, C102, E111, E121 | Extinguishment by fire service personnel, ventilate | County Resc Ashwaubenc Bellevue, Ledgeview |
| 06/15/2018 | 1556 Fox Ridge Court | Carbon monoxide incident | C102, A121, E121 | Investigate | N/A |
| 06/17/2018 | 525 N. 10th Street | Excessive heat, scorch burns with no ignition | A111, E111, E121 | Investigate, Extinguishment by fire service personnel | County Resc Hobart, Lawrence, Ashwaubenc |
| 06/18/2018 | 925 S. Sixth Street | Odor investigation | E121 | Investigate | N/A |

| Date | Incident Location | Reported Situation | Units Dispatched | Disposition | Mutual Aid Received |
|---|---|---|---|---|---|
| 06/20/2018 | 760 Suburban Drive | Carbon monoxide incident due to malfunction | E121 | Investigate | N/A |
| 06/21/2018 | 1499 Lawrence Drive | Arching, shorted electric equipment | E111 | Investigate | N/A |
| 06/22/2018 | 735 Reid Street | Carbon monoxide incident due to malfunction | A121, E121 | Investigate | N/A |
| 06/22/2018 | 1700 Chicago Street | Smoke detector activation, no fire, unintentional | E111, E121 | Investigate | N/A |
| 06/22/2018 | 708 N. Melcorn Circle | Gas leak | E111, E121 | Investigate | N/A |
| 06/22/2018 | 923 James Street | Trash or rubbish fire, contained | E111, E121 | Extinguishment by fire service personnel, ventilate | N/A |
| 06/23/2018 | 1717 Lawrence Drive | Oil or other combustible liquid spill | E121 | Hazardous materials spill control and confinement | N/A |
| 06/26/2018 | 255 N. 10th Street | Hazmat release investigation, without hazmat | C102 | Investigate | N/A |
| 06/26/2018 | 925 S. Sixth Street | Alarm system activation, no fire, unintentional | C102, E121 | Investigate | N/A |
| 06/27/2018 | 812 Oak Street | Smoke or odor removal | E111, E121 | Investigate | N/A |
| 06/28/2018 | 1656 Colony Drive | Smoke detector activation, no fire, unintentional | A111, E111 | Investigate | N/A |
| 06/30/2018 | 1660 W. Main Circle (Village of Ashwaubenon) | Building fire | C102, L111 | Dispatched & Canceled en route | N/A |

# LIFEQUEST MEDICAL BILLING - 2018
## MONTHLY REPORT

| | JAN. | FEB. | MARCH | APRIL | MAY | JUNE |
|---|---|---|---|---|---|---|
| CHARGES | 163,001 | 141,019 | 158,773 | 158,639 | 108,551 | 146,882 |
| PAYMENTS | 52,987 | 64,975 | 69,435 | 71,073 | 84,800 | 53,162 |
| CREDIT ADJUSTMENTS | 56,314 | 62,390 | 63,653 | 60,363 | 70,069 | 59,250 |

| | JULY | AUG. | SEPT. | OCT. | NOV. | DEC. |
|---|---|---|---|---|---|---|
| CHARGES | | | | | | |
| PAYMENTS | | | | | | |
| CREDIT ADJUSTMENTS | | | | | | |

| **Payments to LifeQuest** | |
|---|---|
| Jan. 2018 | 2,588 |
| Feb. 2018 | 2,935 |
| March 2018 | 3,449 |
| April 2018 | 3,896 |
| May 2018 | 4,199 |
| June 2018 | 2,444 |
| July 2018 | |
| Aug. 2018 | |
| Sept. 2018 | |
| Oct. 2018 | |
| Nov. 2018 | |
| Dec. 2018 | |
| Total Paid | $19,511 |

**See attached details

# City Of De Pere

## Income and Expenditures

## June 2018

## All Phases

| Charges | | Billing | Collection | Total |
|---|---|---|---|---|
| Billing Charges / Collection Placements | | $123,585.80 | $23,296.49 | $146,882.29 |
| Other | + | $0.00 | $0.00 | $0.00 |
| **Subtotal of Charges** | | **$123,585.80** | **$23,296.49** | **$146,882.29** |
| **Account Transfers** | | **$18,347.86** | **$4,948.63** | **$23,296.49** |

| Credit Summary | | | | |
|---|---|---|---|---|
| **Total Credits** | | **$112,114.73** | **$1,769.99** | **$113,884.72** |
| Less Adjustments | - | $59,250.38 | $0.00 | $59,250.38 |
| Less Delinquent Closed Accounts Reconciliation | - | $0.00 | $1,472.30 | $1,472.30 |
| Less Overpayments | - | $(3,607.86) | $0.00 | $(3,607.86) |
| **Gross Payments Received** | | **$56,472.21** | **$297.69** | **$56,769.90** |
| Plus Overpayment Returns | + | $(275.00) | $0.00 | $(275.00) |
| **Net Payments Received** | | **$56,197.21** | **$297.69** | **$56,494.90** |
| Less Payments Kept By Service | - | $1,013.40 | $0.00 | $1,013.40 |
| **Total Deposits Reconciliation** | | **$55,183.81** | **$297.69** | **$55,481.50** |

| Summary of Disbursement | | | | |
|---|---|---|---|---|
| Total Deposits & Payments Kept By | | $56,197.21 | $297.69 | $56,494.90 |
| Plus Overpayment Refunds | + | $(3,332.86) | $0.00 | $(3,332.86) |
| **Gross Revenue** | | **$52,864.35** | **$297.69** | **$53,162.04** |
| LifeQuest Fee | | $2,378.90 | $65.49 | $2,444.39 |
| Plus Probate Fees | + | $0.00 | $0.00 | $0.00 |
| Other / Fees | | - | - | $0.00 |
| **Total Due LifeQuest Check # EFT** | | **$2,378.90** | **$65.49** | **$2,444.39** |
| Service Revenue | | $50,485.45 | $232.20 | $50,717.65 |
| Less Payments Kept By Service | - | $1,013.40 | $0.00 | $1,013.40 |
| Less Service Payable | - | $0.00 | $0.00 | $0.00 |
| Less Probate Fees | - | $0.00 | $0.00 | $0.00 |
| Other / Fees | | $0.00 | $0.00 | $0.00 |
| **Total Due Service Check # EFT** | | **$49,472.05** | **$232.20** | **$49,704.25** |

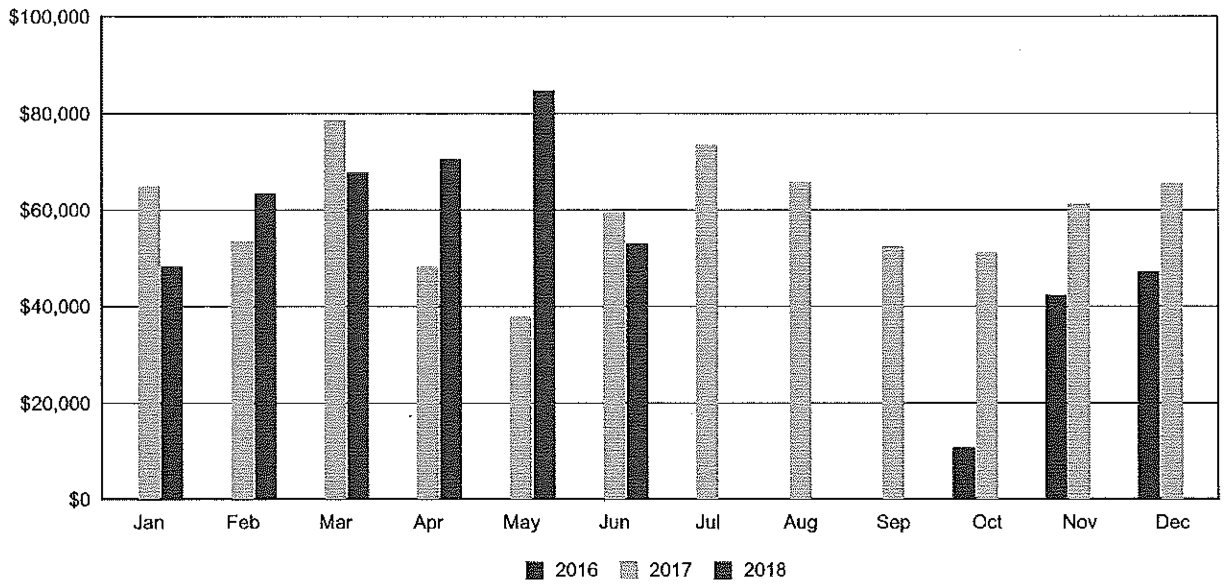
**Messages:**

Total Deposits EOM differ from bank statement by $ due to

# All Phases Gross Revenue

City of De Pere

January 2016 to June 2018




| | 2016 | 2017 | 2018 |
|---|---|---|---|
| January | $0 | $65,035 | $48,362 |
| February | $0 | $53,532 | $63,538 |
| March | $0 | $78,566 | $67,787 |
| April | $0 | $48,367 | $70,664 |
| May | $0 | $38,017 | $84,800 |
| June | $0 | $59,532 | $53,162 |
| July | $0 | $73,500 | $0 |
| August | $0 | $65,845 | $0 |
| September | $0 | $52,557 | $0 |
| October | $10,906 | $51,374 | $0 |
| November | $42,469 | $61,219 | $0 |
| December | $47,293 | $65,635 | $0 |
| **Total Gross Revenue** | **$100,667** | **$713,180** | **$388,313** |

# City Of De Pere

## Billing Summary

## June 2018

## Phase 1

**Charges**

| | | | |
|---|---|---|---|
| Billing Charges | | $123,585.80 | |
| Other | + | $0.00 | |
| **Subtotal of Charges** | | | **$123,585.80** |

**Account Transfers**

| | | | |
|---|---|---|---|
| Billing to Collections Transfer Total | | | **$18,347.86** |

**Credit Summary**

| | | | |
|---|---|---|---|
| **Total Credits** | | $112,114.73 | |
| Less Adjustments | - | $59,250.38 | |
| Less Overpayments | - | $(3,607.86) | |
| **Gross Payments Received** | | | **$56,472.21** |
| Plus Overpayment Returns | - | $(275.00) | |
| **Net Payments Received** | | | **$56,197.21** |
| Less Payments Kept By Service | - | $1,013.40 | |
| **Total Deposits Reconciliation** | | | **$55,183.81** |

**Summary of Disbursement**

| | | | |
|---|---|---|---|
| Total Deposits & Payments Kept By | | $56,197.21 | |
| Plus Overpayment Refunds | + | $(3,332.86) | |
| **Gross Revenue** | | | **$52,864.35** |
| LifeQuest Fee | | $2,378.90 | |
| Plus Probate Fees | + | $0.00 | |
| **Total Due LifeQuest** **Check #** **EFT** | | | **$2,378.90** |
| Service Revenue | | $50,485.45 | |
| Less Payment Kept By Service | - | $1,013.40 | |
| Less Service Payable | - | $0.00 | |
| Less Probate Fees | - | $0.00 | |
| Other / Fees | - | $0.00 | |
| **Total Due Service** **Check #** **EFT** | | | **$49,472.05** |

**Messages:**

**Legend:**

**Charges - Other:** Includes insurance interest, transaction fees, probate fees

**Credit Summary - Less Overpayments:** Includes recoupments, refunds, returns, service payables

**Credit Summary - Plus Overpayment Returns:** Includes NSF/bank returned type payments

# Billing Reconciliation Summary

**City of De Pere**

**For the month of June 2018**

| | | | |
|---|---|---|---|
| **Beginning Balance of Accounts Receivables** | | | **$232,084.05** |
| **Total Charges entered for the Month** | | **+** | **$123,585.80** |
| **Adjustments** | | | |
| Intercept | $0 | | |
| Per Contract | $0 | | |
| Account Transfer Total | $18,347.86 | | |
| Other | $40,902.52 | | |
| **Total Adjustments for the Month** | **$59,250.38** | **-** | **$59,250.38** |
| **Payments** | | | |
| Cash | $12,400.69 | | |
| Contract Payments | $0 | | |
| Credit Card | $0 | | |
| Direct Deposit | $33,495.44 | | |
| Hospital | $0 | | |
| Insurance | $9,562.68 | | |
| Payment Kept By | $1,013.40 | | |
| Other | $0 | | |
| | **$56,472.21** | **-** | **$56,472.21** |
| **Overpayment** | | | |
| Recoupment | $0 | | |
| Refunds | $(3,332.86) | | |
| Returns | $(275.00) | | |
| Service Payable | $0 | | |
| Other | $0 | | |
| | **$(3,607.86)** | **-** | **$(3,607.86)** |
| **Total for Reconciliation Summary** | | | **$243,555.12** |
| **Ending Balance of Accounts Receivables** | | | **$243,555.12** |

Total Page : 1 of 1
Page : 1 of 1
Date : 07/01/2018
Time : 16:48:26

# Receivables Distribution Report

## Receivables Cash

**All Companies** **All Directories**

| Charges | Jun 2017 | Jul 2017 | Aug 2017 | Sep 2017 | Oct 2017 | Nov 2017 | Dec 2017 | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Totals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jun 2017 | 3377 | 21992 | 14962 | 2548 | 563 | 2741 | 131 | 373 | -120 | 674 | -67 | 784 $ | 4795 |
| 105523 | 3.2 | 20.8 | 14.2 | 2.4 | 0.5 | 2.6 | 0.1 | 0.4 | -0.1 | 0.6 | -0.1 | 0.7 % | 45. |
| Jul 2017 | | 728 | 22797 | 13962 | 9092 | 3397 | 1997 | 266 | 72 | 1451 | 852 | 72 $ | 5468 |
| 104552 | | 0.7 | 21.8 | 13.4 | 8.7 | 3.2 | 1.9 | 0.3 | 0.1 | 1.4 | 0.8 | 0.1 % | 52. |
| Aug 2017 | | | 2988 | 24116 | 14116 | 9411 | 2465 | 1410 | 1104 | 1155 | 2703 | 79 $ | 5954 |
| 114510 | | | 2.6 | 21.1 | 12.3 | 8.2 | 2.2 | 1.2 | 1 | 1 | 2.4 | 0.1 % | 5 |
| Sep 2017 | | | | 2844 | 20242 | 14852 | 8493 | 2815 | 1218 | 1060 | 296 | 50 $ | 5187 |
| 101010 | | | | 2.8 | 20 | 14.7 | 8.4 | 2.8 | 1.2 | 1.1 | 0.3 | 0 % | 51. |
| Oct 2017 | | | | | 0 | 19943 | 25613 | 8406 | 2790 | 3857 | 585 | 957 $ | 6215 |
| 115859 | | | | | 0 | 17.2 | 22.1 | 7.3 | 2.4 | 3.3 | 0.5 | 0.8 % | 53. |
| Nov 2017 | | | | | | 979 | 18831 | 13157 | 9760 | 2063 | 1973 | 525 $ | 4728 |
| 97943 | | | | | | 1 | 19.2 | 13.4 | 10 | 2.1 | 2 | 0.5 % | 48. |
| Dec 2017 | | | | | | | 69 | 21625 | 21392 | 7998 | 5086 | 2150 $ | 5832 |
| 123951 | | | | | | | 0.1 | 17.4 | 17.3 | 6.5 | 4.1 | 1.7 % | 47. |
| Jan 2018 | | | | | | | | 2039 | 21972 | 19979 | 8938 | 7815 $ | 6074 |
| 128091 | | | | | | | | 1.6 | 17.2 | 15.6 | 7 | 6.1 % | 47. |
| Feb 2018 | | | | | | | | | 3686 | 22577 | 13786 | 4931 $ | 4497 |
| 111110 | | | | | | | | | 3.3 | 20.3 | 12.4 | 4.4 % | 40. |
| Mar 2018 | | | | | | | | | | 4055 | 26786 | 17543 $ | 4838 |
| 118582 | | | | | | | | | | 3.4 | 22.6 | 14.8 % | 40. |
| Apr 2018 | | | | | | | | | | | 3445 | 36786 $ | 4023 |
| 126437 | | | | | | | | | | | 2.7 | 29.1 % | 31. |
| May 2018 | | | | | | | | | | | | 7957 $ | 795 |
| 113240 | | | | | | | | | | | | 7 % | |

| Averages | 1st Mo | 2nd Mo | 3rd Mo | 4th Mo | 5th Mo | 6th Mo | 7th Mo | 8th Mo | 9th Mo | 10th Mo | 11th Mo | 12th Mo |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Extended | 2.4 | 20.7 | <NA> | <NA> | <NA> | <NA> | <NA> | <NA> | <NA> | <NA> | <NA> | <NA> |
| Weighted | 2.4 | 20.7 | 15.1 | 6.9 | 3 | 2 | 0.6 | 0.5 | 1 | 0.5 | 0 | 0.7 |

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

**MEETING DATE:** **July 10, 2018**

**DEPARTMENT:** **Police**

**FROM:** **Derek Beiderwieden**

**SUBJECT:** **Approval of Police Overtime for June 2018**

The overtime (OT) report covers a four-week period. Two previous years of overtime report summaries are attached for comparison.

Many of the training hours this month were dedicated to officers practicing and training with rifles at the Sanger Powers firearms range.

Miscellaneous OT of 10.75 total hours is comprised of 8.25 hours of Patrol fraction allotments and 2.5 hours for a SWAT call-out.

Reimbursable Miscellaneous OT of 23.5 total hours is comprised of 6.5 hours for OWI Task Force and 17 hours for Drug Task Force.

Please let me know if you have any questions about this overtime report.

**ATTACHMENTS:**

- 2016 PD OT Report Summary (PDF)
- 2017 PD OT Report Summary (PDF)
- June 2018 PD OT Report (PDF)

# DE PERE POLICE DEPARTMENT
## OVERTIME BY REASON
## 2016

| REASON | JAN* | FEB** | MAR*** | APR+ | MAY++ | JUN ^ | JUL # | AUG ## | SEPT^^ | OCT^^^ | NOV*+ | DEC*+* | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OFFICER SICK RELIEF | 42.00 | 8.00 | 21.00 | 29.00 | 71.50 | 12.50 | 30.50 | 71.75 | 60.50 | 119.50 | 113.50 | 38.50 | 618.25 |
| OFFICER WORKED ON HOLIDAY | 8.00 | 8.00 | 36.00 | 4.00 | 80.75 | 20.00 | 60.00 | 2.25 | 121.75 | 4.00 | 64.00 | 77.00 | 485.75 |
| OFFICER FOR COURT | 13.00 | 10.50 | 12.00 | | 22.00 | 34.00 | 8.00 | 2.00 | 48.25 | 29.50 | 14.50 | 6.00 | 199.75 |
| OFFICER TRAINING | 40.50 | 42.50 | 155.75 | 227.50 | 132.25 | 191.00 | 35.00 | 90.25 | 45.25 | 131.00 | 209.50 | 103.25 | 1403.75 |
| OFFICER RELIEF FOR FUNERAL | | 7.50 | | 7.50 | 4.00 | | | | | | | | 19.00 |
| OFFICER ATTEND MEETING | 14.00 | 10.00 | 20.00 | 14.00 | 4.50 | 15.50 | 10.00 | 7.50 | 16.00 | 7.00 | 2.50 | 11.50 | 132.50 |
| STAFFING LEVEL | 8.00 | 19.00 | 34.50 | 28.50 | 135.50 | 142.50 | 159.00 | 172.00 | 131.00 | 173.00 | 154.00 | 107.50 | 1264.50 |
| INVESTIGATION | 39.50 | 25.50 | 18.25 | 49.50 | 47.00 | 28.75 | 55.00 | 41.00 | 26.00 | 37.75 | 73.00 | 21.00 | 462.25 |
| HONOR GUARD FOR FUNERAL | | 7.50 | | | | | | 3.00 | | | 15.00 | | 25.50 |
| SCHOOL LIAISON REIMBURSED | 21.50 | 20.00 | 7.00 | 17.50 | 26.00 | 13.50 | | 9.50 | 56.50 | 39.00 | 15.50 | 11.00 | 237.00 |
| COMMUNITY RELATIONS | | | | | | | | | | 16.50 | 5.50 | | 22.00 |
| SPECIAL ASSIGNMENT | | | | | | 9.00 | 2.00 | | 4.00 | 4.00 | 28.00 | | 47.00 |
| SPECIAL ASSIGNMENT REIMBURSED | | 12.50 | | | 197.75 | | | | | | | | 210.25 |
| MISCELLANEOUS | 8.00 | 17.25 | 46.00 | 15.50 | 36.75 | 18.00 | 11.25 | 27.50 | 23.25 | 21.75 | 32.00 | 16.75 | 274.00 |
| MISCELLANEOUS REIMBURSED | 76.50 | 42.00 | 112.00 | 89.00 | 43.00 | 24.00 | 14.00 | 19.50 | 7.00 | 25.00 | 39.50 | 5.50 | 497.00 |
| **Gross OFFICER OVERTIME** | 271.00 | 230.25 | 462.50 | 482.00 | 801.00 | 508.75 | 384.75 | 446.25 | 539.50 | 608.00 | 766.50 | 398.00 | 5898.50 |
| SUBTOTAL REIMBURSED OVERTIME | (98.00) | (74.50) | (119.00) | (106.50) | (266.75) | (37.50) | (14.00) | (29.00) | (63.50) | (64.00) | (55.00) | (16.50) | (944.25) |
| **NET OFFICER OVERTIME** | 173.00 | 155.75 | 343.50 | 375.50 | 534.25 | 471.25 | 370.75 | 417.25 | 476.00 | 544.00 | 711.50 | 381.50 | 4954.25 |
| **Community Service Officer** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

**Total Overtime Budget:** **$140,000**
**Expenditures through 12/23/2016** **$173,667**
**Percent of Total Budget:** **124.05%**

***NOTES:***

* Period 01/02/2016 - 01/29/2016
**Period 1/30/2016 - 02/26/2016
***Period 02/27/2016 - 03/25/2016

+Period 3/26/2016 - 4/22/2016
++Period 4/23/2016 - 6/3/2016
^Period 6/4/2016 - 7/1/2016

#Period 7/2/2016 - 7/29/2016
##Period 7/30/2016 - 8/26/2016
^^Period 8/27/2016 - 9/23/2016

^^^Period 9/24/2016 - 10/21/2016
*+Period 10/22/2016 - 12/2/2016
*+*Period 12/3/2016 - 12/30/2016

# DE PERE POLICE DEPARTMENT
## OVERTIME BY REASON
## 2017

| REASON | JAN* | FEB** | MAR*** | APR+ | MAY++ | JUN ^ | JUL # | AUG ## | SEPT^^ | OCT^^^ | NOV*+ | DEC*+* | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OFFICER SICK RELIEF | 12.00 | 64.75 | 39.50 | 24.75 | 23.50 | 15.00 | 38.00 | 37.00 | 18.00 | 32.75 | 4.00 | 23.00 | 332.25 |
| OFFICER WORKED ON HOLIDAY | 97.00 | 13.75 | | 31.00 | 97.00 | 21.75 | 54.75 | 8.00 | 121.75 | 16.00 | 66.00 | 87.00 | 614.00 |
| OFFICER FOR COURT | 9.00 | 10.00 | 6.00 | 1.75 | 21.00 | 10.00 | 4.00 | 25.00 | 4.00 | 22.00 | 15.00 | 4.00 | 131.75 |
| OFFICER TRAINING | 207.00 | 65.50 | 36.00 | 39.00 | 241.75 | 60.25 | 16.50 | 46.75 | 259.25 | 203.00 | 51.25 | 97.00 | 1323.25 |
| OFFICER RELIEF FOR FUNERAL | | | | | | | | | | | | | 0.00 |
| OFFICER ATTEND MEETING | 5.50 | 27.25 | 10.50 | 16.00 | 17.50 | 9.50 | 16.50 | 3.00 | 2.00 | 12.00 | 2.00 | 14.00 | 135.75 |
| STAFFING LEVEL | 63.00 | 22.50 | 39.25 | 39.50 | 199.50 | 74.00 | 66.50 | 97.50 | 130.50 | 209.50 | 98.00 | 69.00 | 1108.75 |
| INVESTIGATION | 37.50 | 44.50 | 43.50 | 36.50 | 73.75 | 24.50 | 47.00 | 26.25 | 23.50 | 108.50 | 28.50 | 57.50 | 551.50 |
| HONOR GUARD FOR FUNERAL | | 2.00 | | 11.00 | | | | | | | | | 13.00 |
| SCHOOL LIAISON REIMBURSED | 18.00 | 23.50 | 25.00 | 7.00 | 31.50 | 15.00 | | 5.00 | 41.00 | 61.00 | 10.00 | 16.00 | 253.00 |
| COMMUNITY RELATIONS | | | | | 2.00 | | | 3.50 | 3.50 | 3.00 | | | 12.00 |
| SPECIAL ASSIGNMENT | | 6.25 | | | | | 9.00 | | | | | | 15.25 |
| SPECIAL ASSIGNMENT REIMBURSED | | 6.25 | | 18.50 | 219.50 | 13.00 | | | 8.00 | 29.50 | 29.00 | | 323.75 |
| MISCELLANEOUS | 27.50 | 13.50 | 42.75 | 20.25 | 26.25 | 17.75 | 10.75 | 11.50 | 9.75 | 35.50 | 17.00 | 20.25 | 252.75 |
| MISCELLANEOUS REIMBURSED | 66.00 | 130.00 | 45.00 | 60.00 | 104.00 | 67.50 | 57.50 | 51.00 | 30.50 | 42.50 | 26.00 | 19.00 | 699.00 |
| **Gross OFFICER OVERTIME** | 542.50 | 429.75 | 287.50 | 305.25 | 1057.25 | 328.25 | 320.50 | 314.50 | 651.75 | 775.25 | 346.75 | 406.75 | 5766.00 |
| SUBTOTAL REIMBURSED OVERTIME | (84.00) | (159.75) | (70.00) | (85.50) | (355.00) | (95.50) | (57.50) | (56.00) | (79.50) | (133.00) | (65.00) | (35.00) | (1275.75) |
| **NET OFFICER OVERTIME** | 458.50 | 270.00 | 217.50 | 219.75 | 702.25 | 232.75 | 263.00 | 258.50 | 572.25 | 642.25 | 281.75 | 371.75 | 4490.25 |

**Total Overtime Budget:** **$145,000.00**
**Expenditures through 1/02/2018** **$182,422.00**
**Percent of Total Budget:** **125.81%**

**01/02/2018**
Report Date

***NOTES:***

* Period 12/31/2016 - 1/27/2017
**Period 1/28/2017 - 2/24/2017
***Period 02/25/2017 - 3/24/2017
+Period 03/25/2017 - 4/21/2017
++Period 4/22/2017 - 6/02/2017
^Period 6/03/2017 - 6/30/2017
#Period 7/1/2017 - 7/28/2017
##Period 7/29/2017 - 8/25/2017
^^Period 8/26/2017 - 9/22/2017
^^^Period 9/23/2017 - 11/3/2017
*+Period 11/4/2017 - 12/1/2017
*+*Period 12/2/2017- 12/29/2017

# DE PERE POLICE DEPARTMENT
## OVERTIME BY REASON
## 2018

| REASON | JAN* | FEB** | MAR*** | APR+ | MAY++ | JUN ^ | JUL # | AUG ## | SEPT^^ | OCT^^^ | NOV*+ | DEC*+* | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OFFICER SICK RELIEF | 41.50 | 19.50 | 10.00 | 15.50 | 23.00 | 14.00 | | | | | | | 123.50 |
| OFFICER WORKED ON HOLIDAY | 105.75 | 8.00 | 12.00 | 42.00 | 98.25 | 22.00 | | | | | | | 288.00 |
| OFFICER FOR COURT | 4.00 | 14.00 | 13.00 | 12.00 | 18.00 | 12.00 | | | | | | | 73.00 |
| OFFICER TRAINING | 82.00 | 122.00 | 71.75 | 140.00 | 277.00 | 164.75 | | | | | | | 857.50 |
| OFFICER RELIEF FOR FUNERAL | | | 4.50 | | | | | | | | | | 4.50 |
| OFFICER ATTEND MEETING | 10.50 | | 3.50 | 15.00 | 0.50 | | | | | | | | 29.50 |
| STAFFING LEVEL | 68.00 | 51.25 | 97.75 | 61.50 | 87.50 | 92.00 | | | | | | | 458.00 |
| INVESTIGATION | 50.75 | 77.00 | 82.25 | 87.50 | 40.75 | 27.50 | | | | | | | 365.75 |
| HONOR GUARD FOR FUNERAL | | | | | | 15.50 | | | | | | | 15.50 |
| SCHOOL LIAISON REIMBURSED | 12.50 | 25.50 | 10.00 | 19.00 | 33.75 | 27.50 | | | | | | | 128.25 |
| COMMUNITY RELATIONS | | | | | | 1.50 | | | | | | | 1.50 |
| SPECIAL ASSIGNMENT | | | | | | 6.50 | | | | | | | 6.50 |
| SPECIAL ASSIGNMENT REIMBURSED | | 17.50 | 9.50 | | 212.75 | | | | | | | | 239.75 |
| MISCELLANEOUS | 16.00 | 19.00 | 10.75 | 25.75 | 35.00 | 10.75 | | | | | | | 117.25 |
| MISCELLANEOUS REIMBURSED | 33.00 | 41.50 | 79.00 | 20.00 | 32.50 | 23.50 | | | | | | | 229.50 |
| **Gross OFFICER OVERTIME** | 424.00 | 395.25 | 404.00 | 438.25 | 859.00 | 417.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2938.00 |
| SUBTOTAL REIMBURSED OVERTIME | (45.50) | (84.50) | (98.50) | (39.00) | (279.00) | (51.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (597.50) |
| **NET OFFICER OVERTIME** | 378.50 | 310.75 | 305.50 | 399.25 | 580.00 | 366.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2340.50 |

**Total Overtime Budget:** **$150,000.00**
**Expenditures through 07/06/2018** **$87,050.29**
**Percent of Total Budget:** **58.03%**

***NOTES:***

* Period 12/30/2017 - 1/26/2018
**Period 1/27/2018 - 2/23/2018
***Period 2/24/2018 - 3/23/2018
+Period 3/24/2018 - 4/20/2018
++Period 4/21/2018 - 6/1/2018
^Period 6/2/2018 - 6/29/2018
#Period
##Period
^^Period
^^^Period
*+Period
*+*Period

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

**MEETING DATE:** **July 10, 2018**

**DEPARTMENT:** **Police**

**FROM:** **Derek Beiderwieden**

**SUBJECT:** **Approval of Donation from De Pere Christian Outreach to the Police Department K-9 Fund***

The De Pere Christian Outreach has graciously offered to donate $3,000.00 to the Police K-9 Fund in support of the K-9 program. The K-9 fundraising is an ongoing effort to sustain the K-9 program which in turn pays all the expenses of the use, care and training of the police canine including overtime for the handler. The City issues the squad, officer and uniform articles as part of it's share of the K-9 program. This is a great program and I am requesting the Finance and Personnel Committee recommend to the full council the approval of this donation.

Please contact me if you have any questions about the program or this donation. Thank you.

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **Information Technology** |
| **FROM:** | **Kevin Clark** |
| **SUBJECT:** | **Approve $250 donation from the Kress Inn and Bemis Conference Center in support of De Pere TV.*** |

Staff is requesting approval to accept a $250 donation from the Kress Inn & Bemis Conference Center in support of De Pere TV. They will be recognized as a supporter on TV and online for one year and acknowledged with a letter of thanks and appreciation. The donation will be used to support De Pere TV operations.

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

**MEETING DATE:** **July 10, 2018**

**DEPARTMENT:** **Human Resources**

**FROM:** **Shannon Metzler**

**SUBJECT:** **Approval of Updated Agreement with Bellin Health to conduct Health Assessments***

**ATTACHMENTS:**

- Approval for new Bellin Contract (DOCX)
- 2018 HRA Contract (PDF)

# MEMO CITY OF DE PERE

To: Members of the Finance/Personnel Committee
From: Shannon Metzler, Human Resources Director
Re: Approval of Updated Agreement with Bellin Health to conduct Health Assessments
Date: July 10, 2018

We started conducting health assessments in 2016 with Bellin Health. The price for the assessments has increased $2.00 from $65.00 per assessment to $67.00. Therefore, I am asking for your approval of the updated contract.

If you have any questions before the meeting, please feel free to contact me at 339-4045.

Thank you.

bellinhealth

# HEALTH RISK ASSESSMENT
# SERVICES AGREEMENT
## **TO BE USED FOR PARTICIPATION BASED PROGRAM ONLY**

This Agreement is entered into by and between Bellin Occupational Health Solutions, ("Bellin"), a division of Bellin Memorial Hospital, Inc. **and City of De Pere ("Client") effective January 1, 2018.**

**1.** **<u>Scope of Services</u>.** Client agrees to purchase, and Bellin agrees to conduct, Health Risk Assessments of participants in Client's health and/or wellness plans. The Assessment services provided by Bellin shall include:

a. <u>Assessments:</u> Obtaining health information from participants by administering health questionnaire, taking personalized body measurements/composition, blood pressure, blood tests capable of measuring nicotine use and other factors (TC, HDL, LDL, Triglycerides, Chemistry Panel, Liver Function, Glucose) and assimilating test results, scores, measurements and other information into meaningful analysis.

b. Individualized <u>Health Reports</u>: Prepared and delivered to each participant.

c. Executive <u>Summary</u>: Prepared and delivered to Client containing aggregate data of Assessments without disclosing individual assessment scores or results.

**2.** **<u>Payment for Services</u>.** Client agrees to pay Bellin the following amounts for its services:

a. Health Risk Assessment pricing including individualized health report and report to Client with group summary data:

| | |
|---|---|
| 15 or more Assessments per session onsite | $ 67.00 per Assessment |
| 11-14 Assessments per session onsite | $ 77.00 per Assessment |
| 4-10 Assessments per session onsite | $107.00 per Assessment |
| 1-3 Assessments per session (worksite or home) | $167.00 per Assessment |
| Remote Kits | $117.00 per Assessment |
| Individual Assessment at a Bellin Clinic | $ 67.00 per Assessment |
| Duplicated results from another employer | $ 25.00 per Assessment |

b. Miscellaneous charges:

| | |
|---|---|
| Gap in schedule = more than five consecutive open appts | $15.00 each |
| PSA Lab Tests | $25.00 each |
| Provider Form | $22.00 each |
| Saturday or Sunday Assessments | $10.00 each |
| Translator fee | $25.00 per hour |
| Out of Bellin service area: HRA's between 7pm & 4:30am | $10.00 each |
| Out of Area: Cancellation Fee if contract is signed | 25% of the cost of the HRA's |
| Paper questionnaire surcharge: (Effective Jan, 1 2019) | $10.00 each |

c. Feedback and Coaching:

Option 1: **Scheduled Feedbacks**
**$50.00 per hour** for Bellin personnel available onsite at Client's location to provide individual explanations of HRA results to participants. Schedule will be agreed upon by Client and Bellin.

Option 2: **Non-scheduled Telephonic Feedbacks**
**$15.00 per person** making three attempts to the participant. If the participant is active in reaching back to Bellin, attempts will continue until closed.

d. All prices are subject to increase upon 30 days notice to Client. No later than fifteen (15) days after receiving a notice of a price increase, Client shall have the right to terminate this Agreement by providing at least fifteen (15) days written notice of termination to Bellin. All invoices shall be paid by Client within 30 days of the invoice date. Client shall be responsible for all costs of collection of any unpaid fees due and owing to Bellin, including reasonable attorneys' fees and costs, unless Client prevails in any manner in any collection action against Bellin concerning such fees.

**3. Term of Agreement.** This agreement shall be for a term of one year and shall automatically renew for successive one-year periods unless written notice of non-renewal is provided prior to the end of the term by either party. Either party may terminate this agreement during the term upon 60 days written notice.

**4. Miscellaneous.**

a. Assessment Procedures: All participants will be required to sign voluntary Consents and Authorizations in order to proceed with the Assessment. Any participant who fails to sign the Consent and Authorization will not be allowed to participate in the process. Once the information is obtained from the participant, Bellin will forward the laboratory results of the blood draw (via electronic download) to its subcontractor, (currently Healics Inc.) and will separately forward the completed health questionnaires via mail or overnight delivery to Healics. Healics, on behalf of Bellin, will then prepare the individualized report for each participant which explains the results of the Assessment. The individual results will be compiled by Healics into an Executive Summary which will be delivered to Client. This summary does not contain personal identifiable health information of any participant, but only a compilation of overall data for planning purposes. At no time shall Client receive or have access to any individually identifiable health information of any participant. Bellin and its subcontract(s) shall have sole responsibility to utilize reasonable and appropriate safeguards to maintain the confidentiality of any and all information they obtain from participants through the Assessment process. Additionally, Bellin shall ensure that neither it nor its contractors or agents shall make available to Client any personally identifiable protected health information of a participant unless such release is solely for the purpose of a request for a reasonable accommodation needed by the participant to participate in the Health Risk Assessment and pursuant to a Consent and Authorization signed by the participant.

Bellin does not participate in any feedback or coaching sessions except as may be agreed upon as listed above. All fees charged by Bellin's subcontractors are included in the above pricing, except that if Client orders additional services directly from one or more of Bellin's subcontractors, Client shall be responsible for the payment of such services and shall make any and all payments directly to any such subcontracts.

b. Client obligations: Client agrees to provide Bellin's staff with adequate working space and materials needed to perform the HRA services, to take all steps reasonably necessary to ensure that participants are on-time for their Assessments and to otherwise cooperate in the Assessment process. Client agrees to appoint an HRA program manager to serve as Bellin's primary contact person, to assist with the coordination of the services contemplated by this Agreement, to ensure that the HRA Services are performed in a professional and efficient manner and to assist Bellin with resolving any issues that may arise as requested by Bellin. Client shall also assign a site coordinator to facilitate efficient and professional performance of the Assessment process if the HRA program manager is not available at the location.

c. Confidentiality. Bellin is a covered entity as defined by the medical privacy rules of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and as such is obligated to comply with HIPAA and its implementing regulations. Client agrees to comply with any requirements applicable to it under HIPAA or as Bellin may require satisfying it HIPAA obligations. Each of the parties further recognizes that, in the coordination and performance of the HRA Services, they may gain knowledge and information about the other party's financial arrangements, business operations and plans, contracts, marketing and development plans and other proprietary information (collectively referred to as "Confidential Information"), the confidential nature of which is of great importance to the party to whom the information belongs and disclosure to or use of which would result in serious damage. Thus, during the term of this Agreement and thereafter, each of the parties agrees that it will not (unless specifically required by this Agreement or by law or required or permitted in writing) use, divulge, or disclose Confidential Information to any other person, firm, or organization unless such information is in the public domain or known by the parties to whom information is to be disclosed through no fault of the disclosing party. The rights and obligations of the parties pursuant to this Section shall survive the termination of this Agreement.

d. Intellectual Property. Client acknowledges and agrees that the Healics scorecard, scoring system and fact book is, and shall at all times remain, the sole and exclusive intellectual property of Healics ("Healics Intellectual Property"). Client further acknowledges and agrees that: (i) Client will not in any way modify or use Healics Intellectual Property; and that (ii) Bellin does not have any ownership interest in or ability to transfer or in any way modify the Healics Intellectual Property. The covenants contained in this paragraph and paragraph c shall survive the expiration or earlier termination of this Agreement.

e. Legal Advice. Client understands and agrees that Health Risk Assessments and the resulting reports are governed by various state and federal laws, and Client agrees that it will rely on its own legal counsel or other advisors for direction on compliance with those laws and regulations. Client also acknowledges that it is solely responsible for any use of or decisions that Client makes in connection with any Assessment results.

f. Indemnification. Client shall indemnify and hold Bellin harmless against any liability or expense (including Attorneys' fees) incurred by Bellin as a result of Client's, Client's employee's, or Client's agent or representatives use or disclosure of any protected health information provided by Bellin to Client or

Client's agent or representative. Bellin shall indemnify and hold Client harmless against any liability or expense (including attorneys' fees) incurred by Client as a result of Bellin's, Bellin's employees' or Bellin's agents' or representatives' unauthorized or unlawful use or disclosure of any protected health information provided by Client to Bellin or Bellin's agents or representatives, other than disclosures to Client or Client's agent or representative(s), and pursuant to a Consent and Authorization executed by each participant whose protected health information is to be disclosed for purposes of a reasonable accommodation needed by the participant to participate in the Health Risk Assessment program. Further, the parties also agree to indemnify and hold each other harmless against any liability or expense (including actual attorneys' fees) incurred as a result of the said party's negligence or misconduct in carrying out the terms of this Agreement.

g. Entire Agreement. This Agreement sets forth the entire agreement and understanding between Bellin and Client with respect to the subject matter hereof, and supersedes all previous oral or written communications, representations, or agreements between the parties concerning the subject matter. The services covered by this Agreement are in addition to any other services or agreements entered into between the parties for unrelated services.

h. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Wisconsin without regard to conflicts of law. Any disputes arising under this Agreement shall be exclusively venued in the circuit court for Brown County, Wisconsin.

i. Amendment. This Agreement may not be amended except by a written instrument signed by both Parties.

j. Assignment/Subcontracting. Except as expressly provided herein, neither party may assign, transfer, delegate, or subcontract, in whole or in part, any of its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Bellin's use of agents and subcontractors shall not be deemed a violation of this Agreement. Moreover, Bellin shall have the right to replace its current subcontractors/vendors, including Healics, but in such case shall notify Client of the change and of any impact or modification that this may have in relation to any procedures described in this Agreement. If the change is unacceptable to Client, Client shall have the right to terminate the agreement.

IN WITNESS WHEREOF, the parties pledge their faithful performance to this Agreement.

| BELLIN MEMORIAL HOSPITAL, INC.<br>d/b/a Bellin Occupational Health Solutions | CITY OF DE PERE |
|---|---|
| By:________________________________ | By:________________________________ |
| Printed Name:________________________ | Printed Name:________________________ |
| Title:_______________________________ | Title:_______________________________ |
| Date:_______________________________ | Date:_______________________________ |

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **Human Resources** |
| **FROM:** | **Shannon Metzler** |
| **SUBJECT:** | **Approval of Updated Funeral Leave Policy*** |

**ATTACHMENTS:**

- Funeral Leave Policy (DOCX)
- Draft for new policy II(DOCX)

# MEMO CITY OF DE PERE

To: Members of the Finance/Personnel Committee
From: Shannon Metzler, Human Resources Director
Re: Approval of Updated Funeral Leave Policy
Date: July 10, 2018

Please see attached proposed updated funeral leave policy. The City Administrator has requested this policy be updated to be a more family friendly employer. The policy now includes more relatives for an employee's spouse, leave for nieces and nephews and pallbearers. The policy also makes a change to the domestic partner benefit as the law recently changed regarding domestic partnerships.

This change is similar to the changes that the City Council approved with the new Fire contract.

If you have any questions before the meeting, please feel free to contact me at 339-4045.

Thank you.

**1.1 Funeral Leave**

**An employee will be allowed a maximum leave with pay for the following *relation to the employee and the employee's spouse when there is a death in the family (the same number of days applies regardless if relation is to employee or spouse, unless the relation is specifically identified)***

5 days: spouse or child

3 days: parent, legal guardian, step-child, domestic partner (for employees that registered for domestic partnership and were employed prior to April 1, 2018), sibling, or grandchild

2 days: step-sibling, parent in-law, stepparent, or grandparent~~,~~

1 day: sister or brother in-law, aunt or uncle, niece or nephew

In the event of the death of a co-worker presently working (within the past 90 days) and performing duties for the City, employees working in the same department and physical location having a close working relationship and others who worked closely with this individual on a regular basis, at the sole discretion of the department head, may be allowed up to 3 hours of funeral leave for attendance of a local funeral and related event. All others and time beyond this amount will be required to be accounted for by using other accumulated leave.

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An employee who acts as a pallbearer for a funeral which takes place during the regular working hours may also be granted time off with pay, not to exceed one (1) working day, with the permissions of his/her department head. Permissions will be granted for this service unless an emergency situation exists and if not detrimental to the operation of the department in the opinion of the department head.

**City of De Pere, Wisconsin**

# Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **City Attorney** |
| **FROM:** | **Judith Schmidt-Lehman** |
| **SUBJECT:** | **Consideration of adopting an ordinance to create a Sustainability Commission (request of Ald. Nelson).*** |

## ATTACHMENTS:

- Sustainability Commission Draft Ordiance 7-18 (DOCX)

**AN ORDINANCE**
**CREATING SECTION [ ]**
**DE PERE MUNICIPAL CODE**
**RELATING TO THE SUSTAINABILITY COMMISSION**

**SECTION 1.** Section [ ], De Pere Municipal Code, is hereby created to read:

**[ ] SUSTAINABILITY COMMISSION.**
(1) Purpose. The protection, stewardship, improvement, and promotion of the environment is a public necessity and is required in the interest of health, prosperity, safety, and welfare of the De Pere community for present and future generations. The Sustainability Commission is hereby established to explore sustainability initiatives that can be implemented in De Pere, with the ultimate goal of providing a more sustainable, livable, and healthy community.

(2) Definitions.
(a) "Commission" means the Sustainability Commission.
(b) "Sustainability" means the avoidance of the depletion of natural resources, in order to maintain an ecological balance.

(3) Commission composition. The Commission is hereby created, consisting of seven members. Of the membership and if available in the community, one shall be an alderperson, one shall be a City employee, and five shall be individuals who live in or work in De Pere. All members shall have demonstrated interest in environmental stewardship; sustainable business practices, development or technology; green building and design; renewable energy; energy efficient transportation; and recycling and waste management. To the extent possible, members appointed shall represent a diverse range of interest and expertise in sustainability, economic backgrounds and interests, and ethnic and cultural affiliations, including educators and students in the aforementioned fields. The Mayor shall appoint the commissioners, subject to confirmation by the Common Council. Of the initial members appointed, one shall serve a term of one year, two shall serve a term of two years, and two shall serve a term of three years; the alderperson shall finish his or her term. Thereafter, the term for each member shall be three years, except for the alderperson who shall serve a term of two years. Each member is subject to the Code of Ethics as outlined in De Pere Municipal Code [ ].

(4) Officers, Meetings and Rules of Procedure. The officers of the commission shall be a chair and vice-chair, elected by majority vote of the commission. The chair shall preside at meetings of the commission and shall have the right to vote. The vice-chair shall, in case of absence or disability of the chair, perform the duties of the chair. Officers shall serve for terms of one year or until their successors are regularly elected and take office. The commission shall hold meetings at such times as it deems necessary, and shall also meet upon the call of the chair. The commission shall meet not less than four times each calendar year. Four members of the commission shall constitute a quorum.

(5) Powers and duties of the Sustainability Commission. The authority and activities of the Commission shall be advisory, and it shall act in a cooperative capacity and rely upon voluntary compliance. The basic function of the Commission shall be the promotion of sustainable initiatives. The Commission may:
(a) Advise the Mayor and the Common Council with regard to policies, budgets, and regulations related to sustainable policies and practices relative to the environment, including but not limited to natural resources, energy, food waste, hazardous materials and pollution;
(b) Create and present an annual work plan to the Common Council
(c) Advise municipal efforts to engage the community in a broad range of sustainable initiatives;
(d) Consult with private entities, higher education institutions, and the community with regard to the City's sustainable initiatives;
(e) Coordinate and support efforts to unite and focus municipal programs and services as they relate to sustainable initiatives;
(f) Work on sustainability related projects as directed by the Common Council and City Administrator;
(g) Provide a forum for addressing public concerns related to sustainable policies and practices

**SECTION 2.** All ordinances or parts of ordinances, in conflict herewith are hereby repealed.

**SECTION 3.** This ordinance shall take effect on and after its passage and publication.

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **Finance Department** |
| **FROM:** | **Joe Zegers** |
| **SUBJECT:** | **Presentation of 2017 Preliminary Audit Management Letter and Financial Statements.*** |

**ATTACHMENTS:**

- DRAFT 2017 City of De Pere - MC (PDF)
- DRAFT 2017 City of De Pere - FS (PDF)

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# City of De Pere, Wisconsin

## MANAGEMENT COMMUNICATIONS

December 31, 2017

Schenck
ADVISORY | TAX | ASSURANCE

DRAFT

# City of De Pere, Wisconsin
# Brown County, Wisconsin

**DECEMBER 31, 2017**

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Schenck
ADVISORY | TAX | ASSURANCE

To the City Council
City of De Pere, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin (the "City") for the year ended December 31, 2017. The City's financial statements, including our report thereon dated ___________, 2018, are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITIES UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS AND *GOVERNMENT AUDITING STANDARDS***

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

**PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.

**SIGNIFICANT AUDIT FINDINGS**

*Consideration of Internal Control*

**FINANCIAL STATEMENTS**

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 79 - 80 of the annual report.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be a significant deficiencies:

| | |
|---|---|
| Finding 2017-001 | Preparation of Annual Financial Report |
| Finding 2017-002 | Adjustments to the City's Financial Records |

These findings are described in detail in the schedule of findings and responses on pages 86 - 87 of the annual report.

The City's written response to the significant deficiencies identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 3.I to the financial statements, the City changed accounting policies related to postemployment benefits by adopting Statement of Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2017. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates included in the financial statements were:

- Management's estimate of the other postemployment benefits is based on an actuarial report. We evaluated the key factors and assumptions used to develop the other postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of the investments is based on ending market values as of December 31, 2017 as reported by the investment managers. We evaluated the key factors and assumptions used in valuing the investments in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability (asset) and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and related deferred outflows/inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the self-insurance claims incurred but not reported is based on the historical data and claim lag study. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Copies of the audit adjustments are available from management. The following material misstatements detected as a result of the audit procedures were corrected by management.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated ______________, 2018. The management representation letter follows this communication.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and, to the best of our knowledge, our responses were not a condition to our retention.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the status of prior year comments and recommendations and the comments and observations sections of this report.

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*Other Matters*

We applied certain limited procedures to the schedules relating to pensions and other postemployment benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

*Restriction on Use*

This information is intended solely for the information and use of the City Council, and management of City of De Pere and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Certified Public Accountants

Green Bay, Wisconsin
___________, 2018

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## Summary Financial Information

### GOVERNMENTAL FUND BALANCES

Presented below is a summary of the City's governmental fund balances on December 31, 2017 and 2016. This information is provided for assessing financial results for 2017 and for indicating financial resources available at the start of the 2018 budget year.

| | 12/31/17 | 12/31/16 |
|---|---|---|
| General Fund | | |
| Nonspendable for | | |
| Inventories and prepaid items | $ 147,989 | $ 233,692 |
| Special assessments held by County | 32,304 | 97,412 |
| Advances to other funds | 27,821 | 60,000 |
| Restricted for | | |
| Recreation scholarship | 24,649 | 22,624 |
| Fire UTV fund | 3,947 | 19,850 |
| Property tax relief and economic development | 1,061,905 | 1,300,348 |
| Committed for | | |
| Non-lapsing funds | 173,263 | 148,695 |
| Unassigned | 6,124,124 | 5,544,762 |
| Total General Fund Balance | 7,596,002 | 7,427,383 |
| | | |
| Debt Service Fund | | |
| Restricted for debt service | 2,783,701 | 710,514 |
| | | |
| Special Revenue Funds | | |
| Restricted for | | |
| Loans | 861,073 | 1,097,495 |
| Park land acquisition | 68,892 | 91,337 |
| Committed for | | |
| Subsequent years' expenditures | | |
| Dog Park | 9,040 | 5,754 |
| Riverwalk pier | 1,172 | 31,670 |
| Southwest Park equipment | 26,767 | - |
| Unassigned | | |
| Cable Access | (167,117) | (127,250) |
| Total Special Revenue Funds | 799,827 | 1,099,006 |

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| | | |
|---|---|---|
| Capital Projects Funds | | |
| Restricted for | | |
| TID No. 5 | 484,160 | 166,245 |
| TID No. 6 | 18,278 | - |
| TID No. 7 | - | 777,771 |
| TID No. 8 | 667,537 | 284,518 |
| TID No. 10 | - | 21,188 |
| TID No. 12 | 632,626 | 642,703 |
| Committed for | | |
| Subsequent years' expenditures | | |
| Public Improvements | 133,647 | 593,343 |
| Capital Equipment | 93,528 | 93,528 |
| Community Center | 5,521 | 3,779 |
| Police/Fire Expansion | 2,932 | 2,932 |
| Unassigned | | |
| TID No. 6 | - | (1,332,299) |
| TID No. 7 | (227,601) | - |
| TID No. 9 | (325,526) | (256,778) |
| TID No. 10 | (66,497) | - |
| TID No. 11 | (1,169,997) | (15,350) |
| TID No. 13 | (155,463) | - |
| Total Capital Projects Funds | 93,145 | 981,580 |
| Total Governmental Fund Balances | $ 11,272,675 | $ 10,218,483 |

Comments on specific accounts and funds included in the above governmental funds are presented in the following comments.

**GENERAL FUND**

In total, the City's general fund increased $168,619 in 2017.

Overall, the City's general fund balance continues to remain in stable financial condition entering the 2018 budget year. Additional information on various components of the City's general fund balance follows:

**GENERAL FUND MINIMUM FUND BALANCE POLICY**

The City Council adopted a minimum unassigned general fund balance policy of 25% of the subsequent year General Fund budgeted expenditures. The purpose of the minimum fund balance amount is to ensure there are available cash funds for operating purposes and to segregate that portion of the general fund that is not available for current transfer or appropriation. On December 31, 2017, the City's unassigned general fund balance totaled $6,124,124 and was higher than 25% of the 2018 budgeted expenditures which totaled $4,311,100. Furthermore, the Council approved a policy whereby the unassigned reserve account should maintain a balance between 25% and 35% of the subsequent year General Fund budgeted expenditures; 35% of 2018 budgeted expenditures amounted to $6,035,540.

**DEBT SERVICE FUND**

At December 31, 2017, the City has available resources of $2,783,701in its debt service fund of which $1,688,785 is restricted to retire the 2008B Bonds that the City received debt proceeds in 2017 to refund the debt in 2018.  The remaining restricted balance of $1,094,916 is to retire future debt.

**TAX INCREMENTAL DISTRICTS**

The City maintains separate accounting funds for each Tax Incremental Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Information on the City's eight tax incremental districts on December 31, 2017 is presented below:

| | TID 5 | TID 6 | TID 7 | TID 8 | TID 9 | TID 10 | TID 11 | TID 12 | TID 13 |
|---|---|---|---|---|---|---|---|---|---|
| Date created | 8/27/1996 | 3/3/1998 | 10/6/2006 | 8/21/2007 | 8/7/2012 | 8/7/2012 | 9/1/2015 | 9/1/2015 | 5/24/2017 |
| Latest termination year | 2023 | 2021 | 2033 | 2027 | 2039 | 2032 | 2035 | 2035 | 2037 |
| **Location** | **West Side Downtown** | **West Side Industrial Park** | **East Downtown Business District** | **West Side Commercial Development** | **West Downtown Business District** | **East Side Industrial Park** | **West Side Industrial Park** | **West Side Industrial Park** | **West Side Main Avenue** |
| **Status** | **Recipient** | **Donor** | - | - | - | - | - | - | - |
| Fund balance at year end | $ 484,160 | $ 18,278 | $ (227,601) | $ 667,537 | $ (325,526) | $ (66,497) | $ (1,169,997) | $ 632,626 | $ (155,463) |
| Net unreimbursed cost | 3,246,838 | 660,994 | 3,816,864 | 2,222,922 | 746,717 | 816,833 | 1,169,997 | (632,626) | 155,463 |
| 2017 Tax increment | 921,139 | 1,905,735 | 80,986 | 253,857 | 73,316 | 124,947 | - | - | - |
| 2018 Tax increment | 595,688 | 1,672,108 | 19,883 | 194,403 | 22,210 | 206,690 | 11,729 | 499 | - |
| Outstanding debt due | 881,583 | 5,531,153 | 1,441,431 | 2,760,696 | 660,000 | 995,000 | - | - | - |
| Advances from (to) City | 2,849,415 | (4,851,882) | 2,147,833 | 129,763 | (238,809) | (244,664) | - | - | - |

Wisconsin Statutes require periodic compliance audits of tax incremental districts to be completed over the life of the TID.

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## EMPLOYEES MEDICAL SELF-INSURANCE FUNDS

The City utilizes two separate self-insurance internal service funds to account for health and dental claims of City employees. The funds are financed from monthly insurance premiums charged to City employees. During 2017 and in prior years the monthly health insurance premiums were generally financed at 85% by the City with City employees contributing the remaining 15%. Presented below is a summary of each fund's financial transactions for 2017 including comparative totals of the health and dental funds for 2016.

| | Health Self-Insurance | | Dental Self-Insurance | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Revenues | | | | |
| Charges for employees medical and dental insurance premiums | $ 2,419,602 | $ 2,664,623 | $ 145,204 | $ 144,455 |
| Expenses | | | | |
| Employees health and dental claims | 1,742,158 | 2,163,855 | 147,331 | 142,465 |
| Administrative fees | 392,713 | 503,611 | 10,575 | 16,284 |
| Total Expenses | 2,134,871 | 2,667,466 | 157,906 | 158,749 |
| Operating Income (Loss) | 284,731 | (2,843) | (12,702) | (14,294) |
| Nonoperating Revenues | | | | |
| Interest revenue | 1,129 | 553 | - | - |
| Change in Net Position | 285,860 | (2,290) | (12,702) | (14,294) |
| Net Position - January 1 | 225,883 | 228,173 | 16,605 | 30,899 |
| Net Position - December 31 | $ 511,743 | $ 225,883 | $ 3,903 | $ 16,605 |

Specific comments applicable to the above self-insurance funds follow:

The "key" component of an internal service fund is operating income since operating revenues should approximate operating expenses on an annual basis. For 2017, the health self-insurance fund showed operating income of $284,731 compared to an operating loss of $2,843 in 2016. The dental insurance fund showed an operating loss of $12,702 in 2017 compared to an operating loss of $14,294 in 2016. The health self-insurance net position at year end is 29% of health claims for 2017, which is in the range of the recommended amount for self-insurance funds. The dental self-insurance fund has lost $12 to $14 thousand the past two years, which has resulted in a very small net position balance at the end of the year. Without changes in revenues the fund will be in a deficit position in the following year.

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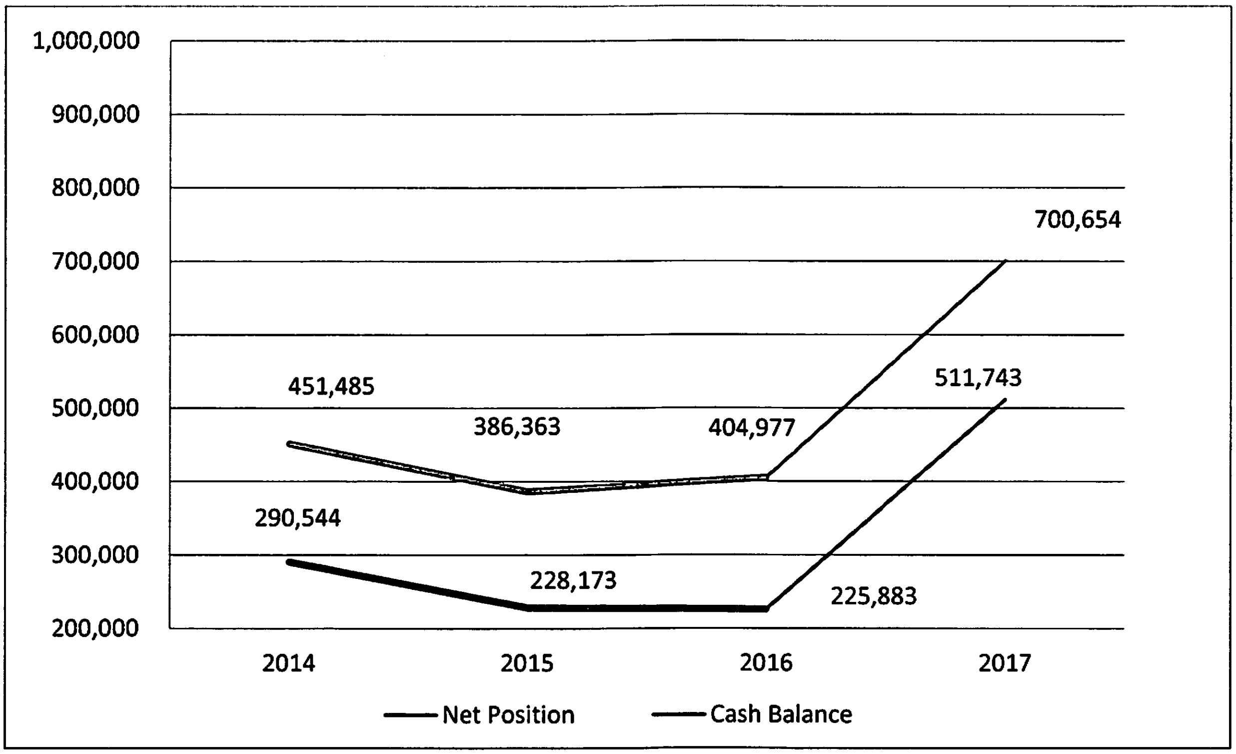
Below is a chart illustrating the change in net position and cash in the Health Self-Insurance fund over the past 4 years.



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**WATER UTILITY**

The Water Utility reported a decrease in net position of $29,287 for the year ended December 31, 2017 compared to an increase of $768,334 for the year ended December 31, 2016.

| | 2017 | 2016 |
|---|---|---|
| Operating Revenues | | |
| Metered sales | $ 4,415,407 | $ 4,416,609 |
| Fire protection | 1,399,249 | 1,394,659 |
| Other | 333,325 | 384,060 |
| Total Operating Revenues | 6,147,981 | 6,195,328 |
| Operating Expenses | | |
| Operation and maintenance | 5,040,274 | 4,507,771 |
| Depreciation | 570,582 | 526,434 |
| Taxes | 38,924 | 38,330 |
| Total Operating Expenses | 5,649,780 | 5,072,535 |
| Operating Income | 498,201 | 1,122,793 |
| Nonoperating Revenues (Expenses) | | |
| Interest revenue | 656 | 829 |
| Interest and fiscal charges | (78,241) | (85,742) |
| Total Nonoperating Revenues (Expenses) | (77,585) | (84,913) |
| Income before Contributions and Transfers | 420,616 | 1,037,880 |
| Capital contributions | - | 183,344 |
| Transfers out | (449,903) | (452,890) |
| Change in Net Position | $ (29,287) | $ 768,334 |

The last water rate increase implemented in 2011 established a rate of return of 6.5%. In 2017, the City's rate of return calculated to 1.59%. We recommend the City consider if working with the PSC for a rate increase is beneficial.

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## WASTEWATER UTILITY

The Wastewater Utility reported an increase in net position of $1,413,207 for the year ended December 31, 2017 compared to an increase of $1,091,507 for the year ended December 31, 2016.

| | 2017 | 2016 |
|---|---|---|
| Operating Revenues | | |
| Measured sales | $ 6,255,901 | $ 5,729,527 |
| Other | 3,249,827 | 3,197,676 |
| Total Operating Revenues | 9,505,728 | 8,927,203 |
| Operating Expenses | | |
| Operation and maintenance | 7,398,887 | 6,948,383 |
| Depreciation | 702,000 | 701,892 |
| Total Operating Expenses | 8,100,887 | 7,650,275 |
| Operating Income | 1,404,841 | 1,276,928 |
| Nonoperating Expenses | | |
| Interest and fiscal charges | (43,101) | (45,772) |
| Income before Contributions and Transfers | 1,361,740 | 1,231,156 |
| Capital contributions | | 132,049 |
| Transfers in | 320,970 | |
| Transfers out | (269,503) | (271,698) |
| Change in Net Position | $ 1,413,207 | $ 1,091,507 |

As of December 31, 2017 the Wastewater Utility owed the general fund $0 for operating purposes, which was a decrease of $509,237 from the amount owed a year earlier. Below is a summarized cash flow for the year ended December 31, 2017 for the Wastewater Utility:

| | 2017 | 2016 |
|---|---|---|
| Cash Flows from Operating Activities | $ 2,307,648 | $ 1,440,771 |
| Transfer in (out) from the general fund | 51,467 | (271,698) |
| Cash Flows from Capital and Related Financing Activities | | |
| Acquisition of capital assets | (981,266) | (1,099,782) |
| Proceeds of long-term debt | - | 1,007,500 |
| Debt premium from proceeds, net of issuance costs | - | 20,224 |
| Principal payments on long-term debt | (357,500) | (340,000) |
| Interest payments on long-term debt | (55,968) | (45,635) |
| Net Cash Flows from Capital and Related Financing Activities | (1,394,734) | (457,693) |
| Change in Cash prior to interfund cash balance adjustment | 964,381 | 711,380 |
| Change in amount due to general fund | (509,237) | (561,380) |
| Net Change in Cash for Year Ended December 31 | $ 455,144 | $ 150,000 |

The City has increased rates each year with the last rate increase implemented in 2017, effective in the 1st Quarter of 2018.

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### STORMWATER UTILITY

The Stormwater Utility reported an increase in net position of $581,148 for the year ended December 31, 2017 compared to an increase of $1,040,094 for the year ended December 31, 2016.

| | 2017 | 2016 |
|---|---|---|
| Operating Revenues | | |
| Charges for services | $ 1,519,144 | $ 1,421,398 |
| Operating Expenses | | |
| Operation and maintenance | 778,339 | 902,654 |
| Depreciation | 410,051 | 392,759 |
| Total Operating Expenses | 1,188,390 | 1,295,413 |
| Operating Income before Contributions | 330,754 | 125,985 |
| Capital contributions | 250,394 | 914,109 |
| Change in Net Position | $ 581,148 | $ 1,040,094 |

At year end, available cash of the Stormwater Utility totaled $1,214,730. The Stormwater Utility purchased $869,770 of capital assets in 2017.

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## Status of Prior Year Comments and Recommendations

The following comments and observations have been discussed in prior year management letters. Although progress has been made, the following recommendations have not yet been fully implemented. Since complete implementation of the recommendations has not been made, we recommend the City develop a specific timetable for implementation, including identifying persons responsible for implementation, for each recommendation. Presented below is a summary of prior year comments along with any current status.

**DEVELOPMENT OF CAPITAL ASSETS RECORDS**

The City purchased capital software in 2017, which was implemented for the year ended December 31, 2015. For the year ended December 31, 2016, the City entered assets into the software during the year and in preparation for the audit. During our audit procedures we noted nearly $1.2 million in capital assets that were not initially recorded as capital asset additions. We recommended that the City review all capital expenditures in the City's general ledger at year end to verify all capital asset additions are included in the final reports provided to the auditors. As part of the year ended December 31, 2017 audit, there were no material adjustments made to the City's capital asset records, so this issue has been resolved.

**Management's Response:** The City's Finance and Clerk-Treasurer departments will continue to review all capital expenditures quarterly in the City's general ledger accounts to verify all capital asset additions are included in the final reports provided to the auditors for each year's audit.

**ENTER MANUAL RECONCILING ADJUSTMENTS INTO THE CITY'S BANK RECONCILIATION SOFTWARE**

In 2016, the City reviewed their bank reconciliation process and attempted to clear reconciling items and post any needed adjustments on a monthly basis. During the audit for the year ended December 31, 2017, we again reviewed the City's bank reconciliations and noted that the City Treasurer reviewed monthly bank statements, furthermore we noted the same type of manual reconciling items are being noted during reconciliations, some of the amounts have been addressed as well as amounts being carried forward from previous years. We recommended that the City clear reconciling items and post payables and receivables on a daily basis using a software update.

**Management's Response:** The City's Finance and Clerk-Treasurer departments will review the bank reconciliations and clear reconciling items and old outstanding checks that need to be adjusted out of the reconciliation on a monthly basis in 2018.

**RECONCILIATION OF SPECIAL ASSESSMENT RECORDS**

A recommendation was made during the 2015 audit to reconcile special assessment receivables and revenue on a monthly basis. During 2016, the special assessment records were reconciled prior to the audit beginning, but they were not done on a monthly basis. During audit procedures for the year ended December 31, 2017, it was noted that monthly reconciliations of the special assessment records were now being completed and no issues occurred when testing those monthly reconciliations.

**Management's Response:** The City's Finance department will continue to reconcile the special assessments records to the general ledger on a monthly basis going forward.

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### DEVELOPING CASH FLOW ANALYSES FOR THE WATER AND WASTEWATER UTILITIES WITH THE ANNUAL BUDGET

This recommendation was originally issued as part of the year ended December 31, 2015 audit but was not implemented for the 2016 or 2017 annual budgets. As part of the audit procedures for the year ended December 31, 2017 audit, we reviewed the 2018 annual budget noting cash flow analyses for the Water and Wastewater Utilities were included in the annual budgets.

**Management's Response:** Cash flow analyses will continue to be included in the water and wastewater utility's annual budgets going forward.

### PAYROLL PROCEDURES FOR ACCRUED SICK AND VACATION LEAVE

As part of the 2016 audit, we reviewed the City's procedures for preparation of the Accrued Sick and Vacation Leave balances that are adjusted and presented with the year-end audit. In testing this spreadsheet, we noted that the City employees accrue their vacation leave balances in various ways, as well as have different rules regarding the carryover balances allowed to be rolled into the new fiscal year.

We recommended that an independent review of this spreadsheet occur on an annual basis by the human resources department, which would increase controls over accrued leave. The City has already segregated certain functions between the payroll and human resources department, with the human resources department ultimately responsible for interpretation and management of accrued leave policies.

Furthermore, we recommended that when an employee retires or terminates employment, the human resources department also review the payout calculation. As of the audit for 2016, the payroll clerk calculated the payout and the finance director reviewed the calculation. For internal control purposes, the inclusion of and calculation of the various pay amounts should be reviewed by the human resources department as well, with a sign-off of approval being included with the review.

**Management's Response:** During 2017, the City's Human Resources department began performing and independent annual review of the end of year accrued leave balance worksheet prepared by the Finance department for the audit. They also began reviewing the Finance department's payout calculations for retiring or terminated employees beginning with the June 23, 2017 payroll.

### ACCOUNTING AND REPORTING FOR OTHER POSTEMPLOYMENT BENEFITS

Due to new standards related to other postemployment benefits (OPEB) that affect the City's year-end December 31, 2017 financial statements, we issued a comment and recommendation as part of the 2016 audit. We recommended that the City evaluate the impact of the new standards with their actuary, and determine an implementation strategy to minimize costs while ensuring adequate communication of the impact that these changes will have on the City's financial statements.

**Management's Response:** The City's Human Resources and Finance departments worked with their actuary and successfully implemented these new OPEB standards, which have been included as part of the audit for the year ended December 31, 2017.

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**RECOMMENDATIONS FROM CAPITAL PROJECT FUNDS REVIEW**

The City, as part of our annual audit contract, identifies an area where we perform a more detailed review of specific financial procedures. For the 2016 audit, we reviewed the City's procedures over financial management of the City's capital project funds. Our review identified multiple comments and recommendations to improve efficiency and effectiveness of managing their capital project funds. In response to those comments and recommendations, the City's Finance and Engineering departments began meeting periodically to plan for 2017 in order to make sure that the Public Works contracts and related activity is allocated quarterly starting with June 30, 2017 between the various City funds in the City's general ledger. They also prepared a year-end report to allow City management to evaluate the status of the capital projects.

As part of the 2017 audit, all necessary adjustments related the capital project allocations were prepared and posted by the Finance Director prior to the audit with no issues identified during our audit procedures. Going forward, we recommend that the City continue to monitor their Public Works contracts and continue to perform the processes that they implemented in 2017 related to their Capital Project funds.

**Management's Response:** The City Finance and Engineering departments will continue to meet periodically to review the City's Public Works contracts and perform quarterly allocations between the various City funds in the City's general ledger.

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## Comments and Observations

**Ambulance Department Review**

The City, as part of our annual audit contract, identifies an area where we perform a more detailed review of specific financial procedures. This year, we reviewed the City's procedures over financial management of the City's ambulance services. Our review identified the following observations along with recommendations to improve the efficiency and effectiveness of the operations of the City's ambulance services.

During our current year audit, we noted deficiencies in controls over the ambulance billing process. Based on these deficiencies, there were a few items that were identified as errors in the billing process. These items are as follows:

- Multiple runs in 2017 were sent to LifeQuest more than once, due to not locking down individual runs in Image Trend. In early 2018, this was identified and procedures were since changed to help avoid any duplicate billings in the future.
- Only a few items were identified that were expected to be included in billing detail, but appeared to be missed.
- One run had additional charges included, but there were no signs of such services provided within individual run detail.

We recommend the City implement procedures to create controls over the billing process to minimize the risk of any future billing issues. Schenck has provided the City with an example of procedures to complete on a monthly/quarterly basis to internally review activity.

In addition, we recommend the City review its list of charges for ambulance services. Schenck identified that other ambulance providers charge for specific items that have significant costs, but these services were not included as charges for the De Pere Fire Rescue. Certain items such as Epi Pens and Glucagon have significant costs and are recommended to be considered as part of approving charges. Other providers also have a standard charge for general supplies, but this is not a separate charge for De Pere. If a charge like this is not be assigned, then it is recommended to consider this when setting the base BLS and ALS rates.

During our discussions of the collections process, it was brought to our attention that they City was not using the Tax Refund Intercept Program (TRIP) for assistance in collections of old ambulance billings. Finance recently became aware of this and the City is currently in the processing of getting the approvals to set this up as an additional collection effort.

The City currently only has one staff assigned to review and submit call information to the Wisconsin Ambulance Run Data System (WARDS) and to LifeQuest for billing. It is recommend that the City cross train another staff member, so duties can be performed within a timely basis if the main staff member has an extended absence.

We also recommend that the City look at budgeting revenues based upon collections rather than what LifeQuest estimated collections were to be. The 2017 and 2018 budgets were $900,000 and $800,000 respectively, actual revenue in 2017 was approximately $630,000.

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# APPENDIX

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# CITY OF DE PERE

335 South Broadway
De Pere, WI 54115
Phone: 920/339-4050
Fax No.: 920/330-9491
Web: http://de-pere.org

___________, 2018

Schenck SC
2200 Riverside Drive
P.O. Box 23819
Green Bay, WI 54305-3819

This representation letter is provided in connection with your audit of the financial statements of City of De Pere, Wisconsin (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2017, and the respective changes in the financial position and where applicable, cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of __________, 2018, the following representations made to you during your audit.

## FINANCIAL STATEMENTS

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 18, 2017 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U. S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

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5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. In regards to accounting estimates:
   - The measurement processes used by management in determining accounting estimates is appropriate and consistent.
   - The assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
   - The disclosures related to accounting estimates are complete and appropriate.
   - No subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.

7. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the City's accounts.

10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

## INFORMATION PROVIDED

12. We have provided you with:
    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b. Additional information that you have requested from us for the purpose of the audit.
    c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
    d. Minutes of meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14. We made an assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have disclosed the results of our assessment as follows:
    a. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
       i. Management,
       ii. Employees who have significant roles in internal control, or
       iii. Others where the fraud could have a material effect on the financial statements.

b. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

## GOVERNMENT - SPECIFIC

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19. We have a process to track the status of audit findings and recommendations.

20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

22. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred inflows/outflows of resources, or equity.

23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

29. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except for utility assets pledged as collateral for the revenue bonds.

30. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

32. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

34. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

35. Components of net position (net investment in capital assets, restricted, and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

36. Provisions for uncollectible receivables have been properly identified and recorded.

37. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

38. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.

41. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

42. Joint ventures, jointly governed organizations, and other related organizations have been properly disclosed in the financial statements.

43. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

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45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46. We acknowledge our responsibility for presenting the nonmajor fund combining statements, individual fund statements, and supporting schedules (the supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

47. We agree with the findings of specialists in evaluating the other postemployment benefits, pension benefits, and incurred but not reported claims and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

48. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the City's name" during the period significantly exceeded the amounts in those categories as of the balance sheet was properly disclosed in the financial statements.

49. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

50. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

51. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

52. Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility.

53. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

54. We do not plan to make frequent amendments to our pension or other post-retirement benefit plans.

55. Tax abatement agreements have been properly disclosed in the notes to the financial statements.

56. We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASB) Statements No. 84, *Fiduciary Activities,* and No. 87, *Leases*, as discussed in Note 4.E. The City is therefore unable to disclose the impact that adopting these GASB Statements will have on its financial position and the results of its operations when the Statements are adopted.

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57. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and though the date of this letter that would require adjustment to or disclose in the aforementioned financial statements.

Signed: ______________________________
Joe Zegers, Finance Director

Signed: ______________________________
Shana Ledvina, Clerk-Treasurer

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# City of De Pere, Wisconsin

## ANNUAL FINANCIAL REPORT

December 31, 2017

Schenck

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# City of De Pere, Wisconsin

**DECEMBER 31, 2017**

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# City of De Pere, Wisconsin

## DECEMBER 31, 2017


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ADVISORY | TAX | ASSURANCE

# Independent auditors' report

To the City Council
City of De Pere, Wisconsin

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 3.I to the financial statements, the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## OTHER MATTERS

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the schedules relating to pensions and other postemployment benefits on pages 62 through 64 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by *Department of Health Services Audit Guide* issued by the State of Wisconsin and are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## REPORT ON SUMMARIZED FINANCIAL INFORMATION

We have previously audited the City's 2016 financial statements, and our report dated June 16, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated ________, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Certified Public Accountants

Green Bay, Wisconsin
________, 2018

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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# City of De Pere, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## DECEMBER 31, 2017

As management of the City of De Pere, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2017 by $98,581,639 (*net position*). Of this amount, $12,115,160 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total property taxes increased _______% per $1,000 of property value for the year ended December 31, 2017.
- As of December 31, 2017, the City's governmental funds reported combined ending fund balances of $11,272,675, an increase of $1,054,192 in comparison with the prior year. Approximately 36% of this total amount, $4,011,923 is *available for spending* at the City's discretion (*unassigned fund balance*).
- As of December 31, 2017, unassigned fund balance for the general fund was $6,124,124, or approximately 37.4% of total general fund expenditures.
- The City's total general-obligation debt decreased by $1,175,000 (3.2%) during 2017. In addition, the City issued $1.7 million of debt during 2017 to retire $1.66 million of a prior year debt issue; however, because of the refinancing structure, both issues are recorded as liabilities, while $1.7 million is recorded as a restricted escrow cash balance.

### Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include the water, wastewater treatment, wastewater collection and stormwater utilities.

The government-wide financial statements can be found on pages 11 - 13 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, public improvements capital project fund and TID No. 6 capital projects fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining stat*ements elsewhere in this report.

The City adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 - 20 of this report.

***Proprietary funds.*** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater treatment plant, stormwater utility, and wastewater utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health and dental self-insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise and internal service funds. The four enterprise funds are considered to be major funds of the City. The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21 - 30 of this report.

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# City of De Pere, Wisconsin



***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 31 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 - 61 of this report.

**Other information.** Required supplementary information relating to pensions and other postemployment benefits and the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to the basic financial statements. These statements and schedules can be found on pages 62 - 78.

## Government-wide Financial Analysis

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $98,581,639 at the close of 2017.

**City of De Pere's Net Position**
**(in thousands of dollars)**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | $ 30,298 | $ 29,266 | $ 6,505 | $ 6,565 | $ 36,803 | $ 35,831 |
| Capital assets | 66,607 | 67,051 | 52,259 | 50,566 | 118,866 | 117,617 |
| Total Assets | 96,905 | 96,317 | 58,764 | 57,131 | 155,669 | 153,448 |
| Deferred Outflows of Resources | 5,171 | 7,246 | 477 | 684 | 5,648 | 7,930 |
| Other liabilities | 2,675 | 2,654 | 1,923 | 1,422 | 4,598 | 4,076 |
| Long-term liabilities outstanding | 35,864 | 37,237 | 5,029 | 5,869 | 40,893 | 43,106 |
| Total Liabilities | 38,539 | 39,891 | 6,952 | 7,291 | 45,491 | 47,182 |
| Deferred Inflows of Resources | 17,045 | 18,053 | 200 | 258 | 17,245 | 18,311 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 35,245 | 33,950 | 47,499 | 45,147 | 82,744 | 79,097 |
| Restricted | 3,521 | 3,396 | 201 | 205 | 3,722 | 3,601 |
| Unrestricted | 7,726 | 8,273 | 4,389 | 4,914 | 12,115 | 13,187 |
| Total Net Assets | $ 46,492 | $ 45,619 | $ 52,089 | $ 50,266 | $ 98,581 | $ 95,885 |

By far the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($12,115,159) may be used to meet the City's ongoing obligations to citizens and creditors.

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# City of De Pere, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## DECEMBER 31, 2017

**Change in net position.** Governmental activities decreased the City's net position by $873,590, while business-type activities increased $1,822,538. Key elements of the changes in net position are as follows:

**City of De Pere's Change in Net Position**
**(In thousands of dollars)**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | $ 3,430 | $ 3,423 | $ 17,173 | $ 16,544 | $ 20,603 | $ 19,967 |
| Operating grants and contributions | 1,500 | 1,482 | - | - | 1,500 | 1,482 |
| Capital grants and contributions | 472 | 690 | 250 | 1,229 | 722 | 1,919 |
| General Revenues | | | | | | |
| Property taxes | 15,493 | 14,561 | - | - | 15,493 | 14,561 |
| Other taxes | 333 | 376 | - | - | 333 | 376 |
| Grants and contributions not restricted to specific programs | 1,899 | 2,078 | - | - | 1,899 | 2,078 |
| Other | 355 | 962 | 68 | 72 | 423 | 1,034 |
| Total Revenues | 23,482 | 23,572 | 17,491 | 17,845 | 40,973 | 41,417 |
| | | | | | | |
| Expenses | | | | | | |
| General government | 1,674 | 1,855 | - | - | 1,674 | 1,855 |
| Public safety | 9,067 | 9,592 | - | - | 9,067 | 9,592 |
| Public works and sanitation | 7,900 | 7,122 | - | - | 7,900 | 7,122 |
| Health and human services | 503 | 494 | - | - | 503 | 494 |
| Culture and recreation | 2,679 | 2,710 | - | - | 2,679 | 2,710 |
| Conservation and development | 583 | 4,473 | - | - | 583 | 4,473 |
| Interest on long-term debt | 922 | 1,079 | - | - | 922 | 1,079 |
| Water utility | - | - | 5,686 | 5,160 | 5,686 | 5,160 |
| Wastewater Collection | - | - | 8,084 | 7,699 | 8,084 | 7,699 |
| Stormwater utility | - | - | 1,179 | 1,296 | 1,179 | 1,296 |
| Total Expenses | 23,328 | 27,325 | 14,949 | 14,155 | 38,277 | 41,480 |
| | | | | | | |
| Change in Net Position Before Transfers | 154 | (3,753) | 2,542 | 3,690 | 2,696 | (63) |
| Transfers | 719 | 725 | (719) | (725) | - | - |
| Change in Net Position | 873 | (3,028) | 1,823 | 2,965 | 2,696 | (63) |
| Net Position - January 1 | 45,619 | 48,647 | 50,266 | 47,301 | 95,885 | 95,948 |
| Net Position - December 31 | $ 46,492 | $ 45,619 | $ 52,089 | $ 50,266 | $ 98,581 | $ 95,885 |

Property taxes increased by $ ( %) during the year.

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# City of De Pere, Wisconsin



## Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds.*** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the City's governmental funds reported combined ending fund balances of $11,272,675, an increase of $1,054,192 in comparison with the prior year. Approximately 36% of this amount ($4,011,923) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is either restricted ($6,606,768) or committed ($445,870) or it is nonspendable ($208,114).

The general fund is the main operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was $6,124,124, while total fund balance reached $7,596,002. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of total general fund expenditures, while total fund balance represents 46% of that same amount.

The fund balance of the City's general fund increased by $168,619 during the current year. The key factor in this increase was favorable budget to actual variances in expenditures.

The debt service fund has a total fund balance of $2,783,701, which includes an irrevocable escrow balance of $1,688,785 available to retire the 2008B Series general obligation debt as of December 31, 2018. The other remaining fund balance is 1,094,916 which represents 20% of total debt service fund expenditures.

The public improvements fund has a total fund balance of $133,647. This decreased by $459,696 during the current year.

TID No. 6 has a fund balance of $18,278, an increase of $1,350,577 during the current year. The District was closed for expenditures during 2017, and the increment generated of $1,905,735 was used to fund transfers, the deficit fund balance and other expenses

***Proprietary funds.*** The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Unrestricted net position of the water utility fund at the end of the year amounted to $24,424. The total decrease in net position was $29,287.

Unrestricted net position of the wastewater treatment plant fund at the end of the year amounted to $1,314,690.

Unrestricted net position of the wastewater utility fund at the end of the year amounted to $1,889,932. The total increase in net position was $1,413,207.

Unrestricted net position of the stormwater utility fund at the end of the year amounted to $1,179,533. The total increase in net position was $581,148.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

Generally the original budget is modified in small amounts. The City allocated a total of $_____________ from the contingency account to various expenditure accounts in the general fund as approved by the City Council.

During the year, actual revenues were less than budgeted revenues by $326,107. Actual expenditures were less than budgeted expenditures by $545,320 primarily in general government and public works.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to $118,865,702 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, infrastructure (highways and bridges), and construction in progress. The total increase in the City's investment in capital assets for the current year was $1,247,816 or 10.6% over last year.

**City of De Pere's Capital Assets**
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | $ 9,731 | $ 9,731 | $ 53 | $ 53 | $ 9,784 | $ 9,784 |
| Land improvements | 6,139 | 6,139 | - | - | 6,139 | 6,139 |
| Buildings | 12,344 | 12,290 | 892 | 892 | 13,236 | 13,182 |
| Machinery and equipment | 4,267 | 3,984 | 6,299 | 6,044 | 10,566 | 10,028 |
| Vehicles | 6,039 | 6,231 | - | - | 6,039 | 6,231 |
| Infrastructure | 75,145 | 73,498 | 69,861 | 67,452 | 145,006 | 140,950 |
| Accumulated depreciation | (47,058) | (44,822) | (24,846) | (23,875) | (71,904) | (68,697) |
| Net Capital Assets | $ 66,607 | $ 67,051 | $ 52,259 | $ 50,566 | $ 118,866 | $ 117,617 |

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# City of De Pere, Wisconsin



**Long-term debt.** At the end of the current fiscal year, the City had total general obligation debt outstanding of $35,580,000. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**City of De Pere's Outstanding Debt**
General Obligation Debt and Revenue Bonds
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General Obligation Debt | | | | | | |
| Bonds | $ 18,630 | $ 19,145 | $ - | $ - | $ 18,630 | $ 19,145 |
| Notes | 13,715 | 13,920 | 3,235 | 3,690 | 16,950 | 17,610 |
| Total General Obligation Debt | 32,345 | 33,065 | 3,235 | 3,690 | 35,580 | 36,755 |
| Revenue bonds | - | - | 1,410 | 1,730 | 1,410 | 1,730 |
| Total | $ 32,345 | $ 33,065 | $ 4,645 | $ 5,420 | $ 36,990 | $ 38,485 |

The City's total general obligation debt decreased by $1,175,000 (3.2%) during the current fiscal year. The key factor in this increase was the newly incurred debt was more than debt retirements.

The City maintains an Aa2 rating from Moody's Investors Service for its general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is $101,534,530 which is significantly in excess of the City's $35,580,000 in outstanding general obligation debt.

## Economic Factors and Next Year's Budgets and Rates

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, retail, and farming activities which support our tax base.
- Inflationary trends in our region compare favorably to national indices.
- During the current year, unassigned fund balance in the general fund increased by $579,362 to $6,124,124.

All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

## Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joseph G. Zegers, Finance Director of the City of De Pere, 335 S. Broadway, De Pere, Wisconsin 54115.

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# BASIC FINANCIAL STATEMENTS

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# City of De Pere, Wisconsin

**STATEMENT OF NET POSITION**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Governmental Activities | Business-type Activities | Totals 2017 | Totals 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 8,544,162 | $ 1,745,339 | $ 10,289,501 | $ 11,068,633 |
| Receivables | | | | |
| Taxes and special charges | 14,924,977 | - | 14,924,977 | 15,316,881 |
| Delinquent taxes | 7,376 | - | 7,376 | 15,929 |
| Accounts | 745,267 | 4,089,479 | 4,834,746 | 4,459,618 |
| Special assessments | 674,073 | - | 674,073 | 747,648 |
| Loans | 526,866 | - | 526,866 | 280,086 |
| Other | - | 182,007 | 182,007 | 235,238 |
| Internal balances | 1,136,173 | (1,136,173) | - | - |
| Due from other governments | - | 1,239,225 | 1,239,225 | 1,333,057 |
| Inventories and prepaid items | 147,989 | 24,904 | 172,893 | 258,873 |
| Restricted assets | | | | |
| Cash and investments | 3,591,101 | 360,332 | 3,951,433 | 2,114,620 |
| Capital assets, nondepreciable | 9,731,371 | 53,207 | 9,784,578 | 9,784,578 |
| Capital assets, depreciable | 56,875,590 | 52,205,534 | 109,081,124 | 107,833,308 |
| Total assets | 96,904,945 | 58,763,854 | 155,668,799 | 153,448,469 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension related amounts | 5,171,192 | 477,636 | 5,648,828 | 7,929,949 |
| **LIABILITIES** | | | | |
| Accounts payable | 1,462,875 | 1,881,801 | 3,344,676 | 2,843,462 |
| Accrued and other current liabilities | 650,826 | 14,943 | 665,769 | 635,492 |
| Due to other governments | 96,184 | - | 96,184 | 97,479 |
| Accrued interest payable | 136,704 | 26,589 | 163,293 | 151,322 |
| Special deposits | 75,660 | - | 75,660 | 70,544 |
| Unearned revenues | 2,789 | - | 2,789 | 2,789 |
| Short-term note payable | 250,000 | - | 250,000 | 275,000 |
| Long-term obligations | | | | |
| Due within one year | 6,466,424 | 810,552 | 7,276,976 | 5,342,655 |
| Due in more than one year | 28,346,294 | 4,155,773 | 32,502,067 | 35,977,591 |
| Net pension liability | 666,658 | 62,917 | 729,575 | 1,417,293 |
| Other postemployment benefits | 384,361 | - | 384,361 | 368,742 |
| Total liabilities | 38,538,775 | 6,952,575 | 45,491,350 | 47,182,369 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Property taxes levied for subsequent year | 14,924,977 | - | 14,924,977 | 15,316,881 |
| Pension related amounts | 2,119,619 | 200,043 | 2,319,662 | 2,993,658 |
| Total deferred inflows of resources | 17,044,596 | 200,043 | 17,244,639 | 18,310,539 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 35,244,844 | 47,499,265 | 82,744,109 | 79,096,531 |
| Restricted | 3,521,446 | 200,924 | 3,722,370 | 3,601,282 |
| Unrestricted | 7,726,476 | 4,388,683 | 12,115,159 | 13,187,697 |
| Total net position | $ 46,492,766 | $ 52,088,872 | $ 98,581,638 | $ 95,885,510 |

*The notes to the basic financial statements are an integral part of this statement.*

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# City of De Pere, Wisconsin

**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | | Program Revenues | | |
|---|---|---|---|---|
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| **GOVERNMENTAL ACTIVITIES** | | | | |
| General government | $ 1,674,449 | $ 414,526 | $ - | $ - |
| Public safety | 9,066,522 | 1,398,097 | 120,769 | - |
| Public works | 7,226,201 | 984,876 | 1,195,164 | 470,077 |
| Sanitation | 674,221 | - | 116,510 | - |
| Health and human services | 502,560 | 5,785 | 62,523 | - |
| Culture and recreation | 2,678,552 | 610,729 | 5,217 | 2,000 |
| Conservation and development | 582,773 | 15,837 | - | - |
| Interest and fiscal charges | 922,725 | - | - | - |
| Total governmental activities | 23,328,003 | 3,429,850 | 1,500,183 | 472,077 |
| **BUSINESS-TYPE ACTIVITIES** | | | | |
| Water utility | 5,685,588 | 6,147,981 | - | - |
| Wastewater collection | 8,083,658 | 9,505,728 | - | - |
| Stormwater utility | 1,179,586 | 1,519,144 | - | 250,394 |
| Total business-type activities | 14,948,832 | 17,172,853 | - | 250,394 |
| **Total** | $ 38,276,835 | $ 20,602,703 | $ 1,500,183 | $ 722,471 |

General revenues
Taxes
Property taxes
Tax increments
Sales tax
Other taxes
Federal and state grants and other contributions
not restricted to specific functions
Interest and investment earnings
Miscellaneous
Gain on sale of asset
Transfers

Total general revenues and transfers

**Change in net position**

**Net position - January 1**

**Net position - December 31**

*The notes to the basic financial statements are an integral part of this statement.*

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| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|
| Governmental Activities | Business-type Activities | Totals 2017 | Totals 2016 |
| $ (1,259,923) | $ - | $ (1,259,923) | $ (1,489,744) |
| (7,547,656) | - | (7,547,656) | (8,011,423) |
| (4,576,084) | - | (4,576,084) | (3,713,837) |
| (557,711) | - | (557,711) | (584,517) |
| (434,252) | - | (434,252) | (437,524) |
| (2,060,606) | - | (2,060,606) | (1,962,450) |
| (566,936) | - | (566,936) | (4,451,481) |
| (922,725) | - | (922,725) | (1,078,693) |
| (17,925,893) | - | (17,925,893) | (21,729,669) |
| - | 462,393 | 462,393 | 1,218,288 |
| - | 1,422,070 | 1,422,070 | 1,360,063 |
| - | 589,952 | 589,952 | 1,039,565 |
| - | 2,474,415 | 2,474,415 | 3,617,916 |
| (17,925,893) | 2,474,415 | (15,451,478) | (18,111,753) |
| 11,955,959 | - | 11,955,959 | 11,550,417 |
| 3,537,020 | - | 3,537,020 | 3,010,312 |
| - | - | - | 38,218 |
| 333,859 | - | 333,859 | 337,772 |
| 1,898,467 | - | 1,898,467 | 2,078,364 |
| 79,587 | 67,529 | 147,116 | 171,142 |
| 275,185 | - | 275,185 | 333,014 |
| - | - | - | 530,040 |
| 719,406 | (719,406) | - | - |
| 18,799,483 | (651,877) | 18,147,606 | 18,049,279 |
| 873,590 | 1,822,538 | 2,696,128 | (62,474) |
| 45,619,176 | 50,266,334 | 95,885,510 | 95,947,984 |
| $ 46,492,766 | $ 52,088,872 | $ 98,581,638 | $ 95,885,510 |

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# City of De Pere, Wisconsin

**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | General | Debt Service | Public Improvements | TID No. 6 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 4,244,529 | $ - | $ 477,095 | $ 1,131,404 |
| Restricted cash and investments | - | 2,783,701 | - | - |
| Receivables | | | | |
| Taxes and special charges | 8,173,527 | 2,286,357 | 941,883 | 1,672,108 |
| Delinquent taxes | 7,376 | - | - | - |
| Accounts | 395,036 | - | 57,326 | 92,509 |
| Special assessments | 78,507 | - | 595,566 | - |
| Loans | - | - | - | - |
| Due from other funds | 4,451,302 | - | - | - |
| Advance to other funds | 27,821 | - | - | - |
| Inventories and prepaid items | 147,989 | - | - | - |
| Total assets | $ 17,526,087 | $ 5,070,058 | $ 2,071,870 | $ 2,896,021 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | |
| Liabilities | | | | |
| Accounts payable | $ 779,675 | $ - | $ 400,774 | $ 154 |
| Accrued and other current liabilities | 673,107 | - | - | 121 |
| Due to other funds | - | - | - | 1,205,360 |
| Due to other governments | 208 | - | 95,976 | - |
| Special deposits | 50,779 | - | - | - |
| Unearned revenues | 2,789 | - | - | - |
| Short-term note payable | 250,000 | - | - | - |
| Total liabilities | 1,756,558 | - | 496,750 | 1,205,635 |
| Deferred inflows of resources | | | | |
| Property taxes levied for subsequent year | 8,173,527 | 2,286,357 | 941,883 | 1,672,108 |
| Loans receivable | - | - | - | - |
| Special assessments | - | - | 499,590 | - |
| Total deferred inflows of resources | 8,173,527 | 2,286,357 | 1,441,473 | 1,672,108 |
| Fund balances | | | | |
| Nonspendable | 208,114 | - | - | - |
| Restricted | 1,090,501 | 2,783,701 | - | 18,278 |
| Committed | 173,263 | - | 133,647 | - |
| Unassigned | 6,124,124 | - | - | - |
| Total fund balances | 7,596,002 | 2,783,701 | 133,647 | 18,278 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 17,526,087 | $ 5,070,058 | $ 2,071,870 | $ 2,896,021 |

*The notes to the basic financial statements are an integral part of this statement.*

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| Other Governmental Funds | Totals 2017 | Totals 2016 |
|---|---|---|
| $ 1,972,190 | $ 7,825,218 | $ 9,311,926 |
| 807,400 | 3,591,101 | 1,754,620 |
| 1,851,102 | 14,924,977 | 15,332,810 |
| - | 7,376 | - |
| 200,066 | 744,937 | 529,428 |
| - | 674,073 | 747,648 |
| 526,866 | 526,866 | 280,086 |
| - | 4,451,302 | 2,259,497 |
| - | 27,821 | 60,000 |
| - | 147,989 | 233,692 |
| $ 5,357,624 | $ 32,921,660 | $ 30,509,707 |
| $ 106,795 | $ 1,287,398 | $ 1,324,465 |
| 2,149 | 675,377 | 697,037 |
| 2,129,665 | 3,335,025 | 1,750,260 |
| - | 96,184 | 96,922 |
| - | 50,779 | - |
| - | 2,789 | 2,789 |
| - | 250,000 | 275,000 |
| 2,238,609 | 5,697,552 | 4,146,473 |
| 1,851,102 | 14,924,977 | 15,316,881 |
| 526,866 | 526,866 | 280,086 |
| - | 499,590 | 547,784 |
| 2,377,968 | 15,951,433 | 16,144,751 |
| - | 208,114 | 388,104 |
| 2,714,288 | 6,606,768 | 5,134,593 |
| 138,960 | 445,870 | 879,701 |
| (2,112,201) | 4,011,923 | 3,816,085 |
| 741,047 | 11,272,675 | 10,218,483 |
| $ 5,357,624 | $ 32,921,660 | $ 30,509,707 |

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# City of De Pere, Wisconsin

**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | 2017 | 2016 |
|---|---|---|
| **RECONCILIATION TO THE STATEMENT OF NET POSITION** | | |
| Total fund balances as shown on previous page | $ 11,272,675 | $ 10,218,483 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. | 66,606,961 | 67,051,097 |
| Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds. | 1,026,456 | 827,870 |
| Net position of the internal service fund is reported in the statement of net position as governmental activities | 535,542 | 373,952 |
| Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds. | | |
| Loss on advance refunding | - | - |
| Deferred outflows related to pensions | 5,171,192 | 7,246,264 |
| Deferred inflows related to pensions | (2,119,619) | (2,735,589) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds and notes payable | (32,345,000) | (33,065,000) |
| Capital leases payable | - | (36,355) |
| Premium on debt | (705,902) | (731,808) |
| Compensated absences | (1,761,816) | (1,740,403) |
| Net pension liability | (666,658) | (1,295,114) |
| Other postemployment benefit | (384,361) | (368,742) |
| Accrued interest on long-term obligations | (136,704) | (125,479) |
| Net position of governmental activities as reported on the Statement of Net Position (see page 11) | $ 46,492,766 | $ 45,619,176 |

*The notes to the basic financial statements are an integral part of this statement.*

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# City of De Pere, Wisconsin

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## GOVERNMENTAL FUNDS
## FOR THE YEAR ENDED DECEMBER 31, 2017
## WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

| | General | Debt Service | Public Improvements | TID No. 6 |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 8,142,752 | $ 2,174,850 | $ 941,276 | $ 1,905,735 |
| Special assessments | - | - | 503,871 | - |
| Intergovernmental | 2,830,068 | 28,652 | 278,005 | 14,367 |
| Licenses and permits | 620,969 | - | - | - |
| Fines and forfeits | 268,421 | - | - | - |
| Public charges for services | 1,438,647 | - | - | - |
| Intergovernmental charges for services | 1,259,970 | - | - | - |
| Miscellaneous | 186,915 | - | 113 | 102,434 |
| Total revenues | 14,747,742 | 2,203,502 | 1,723,265 | 2,022,536 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General government | 1,632,928 | - | - | - |
| Public safety | 8,707,366 | - | - | - |
| Public works | 2,292,328 | - | - | - |
| Sanitation | 664,129 | - | - | - |
| Health and human services | 486,604 | - | - | - |
| Culture and recreation | 2,343,364 | - | - | - |
| Conservation and development | 265,210 | - | - | 127,675 |
| Debt service | | | | |
| Principal | - | 4,435,000 | - | - |
| Interest and fiscal charges | - | 927,249 | 39,079 | 469 |
| Capital outlay | - | - | 3,793,906 | 16,350 |
| Total expenditures | 16,391,929 | 5,362,249 | 3,832,985 | 144,494 |
| Excess of revenues over (under) expenditures | (1,644,187) | (3,158,747) | (2,109,720) | 1,878,042 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Long-term debt issued | - | 1,700,000 | 2,015,000 | - |
| Capital lease proceeds | - | - | - | - |
| Premium on debt issued | - | 45,764 | 10,024 | - |
| Payment to advance refunding escrow agent | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Transfers in | 1,812,806 | 3,486,170 | - | 1,131,404 |
| Transfers out | - | - | (375,000) | (1,658,869) |
| Total other financing sources (uses) | 1,812,806 | 5,231,934 | 1,650,024 | (527,465) |
| **Net change in fund balances** | 168,619 | 2,073,187 | (459,696) | 1,350,577 |
| **Fund balances - January 1** | 7,427,383 | 710,514 | 593,343 | (1,332,299) |
| **Fund balances - December 31** | $ 7,596,002 | $ 2,783,701 | $ 133,647 | $ 18,278 |

*The notes to the basic financial statements are an integral part of this statement.*

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| Other Governmental Funds | Totals 2017 | Totals 2016 |
|---|---|---|
| $ 2,431,285 | $ 15,595,898 | $ 14,677,642 |
| - | 503,871 | 401,840 |
| 236,269 | 3,387,361 | 3,572,684 |
| 92,376 | 713,345 | 799,138 |
| - | 268,421 | 195,226 |
| 4,200 | 1,442,847 | 1,462,209 |
| - | 1,259,970 | 1,244,295 |
| 189,897 | 479,359 | 544,589 |
| 2,954,027 | 23,651,072 | 22,897,623 |
| | | |
| - | 1,632,928 | 1,698,540 |
| - | 8,707,366 | 8,791,882 |
| - | 2,292,328 | 2,270,888 |
| - | 664,129 | 667,999 |
| - | 486,604 | 461,939 |
| 127,845 | 2,471,209 | 2,460,546 |
| 504,339 | 897,224 | 2,211,058 |
| | | |
| - | 4,435,000 | 4,335,000 |
| 26,397 | 993,194 | 1,139,760 |
| 698,736 | 4,508,992 | 9,069,187 |
| 1,357,317 | 27,088,974 | 33,106,799 |
| | | |
| 1,596,710 | (3,437,902) | (10,209,176) |
| | | |
| - | 3,715,000 | 6,790,000 |
| - | - | 75,600 |
| - | 55,788 | 154,380 |
| | | |
| - | - | (2,395,000) |
| 1,900 | 1,900 | 676,710 |
| 201,000 | 6,631,380 | 5,143,641 |
| (3,878,105) | (5,911,974) | (4,419,053) |
| (3,675,205) | 4,492,094 | 6,026,278 |
| (2,078,495) | 1,054,192 | (4,182,898) |
| 2,819,542 | 10,218,483 | 14,401,381 |
| $ 741,047 | $ 11,272,675 | $ 10,218,483 |

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# City of De Pere, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | 2017 | 2016 |
|---|---|---|
| **RECONCILIATION TO THE STATEMENT OF ACTIVITIES** | | |
| Net change in fund balances as shown on previous page | $ 1,054,192 | $ (4,182,898) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital assets reported as capital outlay in governmental fund statements | 2,261,427 | 5,151,084 |
| Contributed capital assets | - | 157,740 |
| Depreciation expense reported in the statement of activities | (2,703,158) | (2,696,096) |
| Net book value of disposals | (2,405) | (146,670) |
| Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. | 198,585 | 46,285 |
| Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Long-term debt issued | (3,715,000) | (6,790,000) |
| Capital leases issued | - | (75,600) |
| Premium on debt issued | (55,788) | (86,712) |
| Principal repaid | 4,435,000 | 6,865,975 |
| Capital leases paid | 36,355 | - |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: | | |
| Accrued interest on long-term debt | (11,225) | (6,601) |
| Amortization of debt premium | 81,694 | - |
| Compensated absences | (21,413) | (151,643) |
| Net pension asset | - | (1,963,426) |
| Net pension liability | 628,456 | (1,295,114) |
| Deferred outflows of resources related to pensions | (2,075,072) | 5,199,142 |
| Deferred inflows of resources related to pensions | 615,970 | (2,735,589) |
| Other postemployment benefits | (15,619) | (306,824) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | 161,591 | (10,805) |
| Change in net position of governmental activities as reported in the statement of activities (see pages 12 - 13) | $ 873,590 | $ (3,027,752) |

*The notes to the basic financial statements are an integral part of this statement.*

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# City of De Pere, Wisconsin

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
## BUDGET AND ACTUAL - GENERAL FUND
## FOR THE YEAR ENDED DECEMBER 31, 2017
## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

| | Budget | | | Variance Final Budget - Positive | 2016 |
|---|---|---|---|---|---|
| | Original | Final | Actual | (Negative) | Actual |
| **REVENUES** | | | | | |
| Taxes | $ 8,122,695 | $ 8,122,695 | $ 8,142,752 | $ 20,057 | $ 8,088,741 |
| Intergovernmental | 2,886,866 | 2,886,866 | 2,830,068 | (56,798) | 3,002,036 |
| Licenses and permits | 566,765 | 566,765 | 620,969 | 54,204 | 695,507 |
| Fines and forfeits | 327,000 | 327,000 | 268,421 | (58,579) | 195,226 |
| Public charges for services | 1,611,883 | 1,611,883 | 1,438,647 | (173,236) | 1,451,339 |
| Intergovernmental charges for services | 1,248,400 | 1,248,400 | 1,259,970 | 11,570 | 1,244,295 |
| Miscellaneous | 310,240 | 310,240 | 186,915 | (123,325) | 367,854 |
| Total revenues | 15,073,849 | 15,073,849 | 14,747,742 | (326,107) | 15,044,998 |
| **EXPENDITURES** | | | | | |
| Current | | | | | |
| General government | 1,742,784 | 1,715,253 | 1,632,928 | 82,325 | 1,698,540 |
| Public safety | 9,164,390 | 9,097,325 | 8,707,366 | 389,959 | 8,791,882 |
| Public works | 2,494,675 | 2,492,875 | 2,292,328 | 200,547 | 2,270,888 |
| Sanitation | 626,927 | 626,927 | 664,129 | (37,202) | 667,999 |
| Health and human services | 513,033 | 513,033 | 486,604 | 26,429 | 461,939 |
| Culture and recreation | 2,246,045 | 2,213,745 | 2,343,364 | (129,619) | 2,308,960 |
| Conservation and development | 298,091 | 278,091 | 265,210 | 12,881 | 260,743 |
| Total expenditures | 17,085,945 | 16,937,249 | 16,391,929 | 545,320 | 16,460,951 |
| Excess of revenues over (under) expenditures | (2,012,096) | (1,863,400) | (1,644,187) | 219,213 | (1,415,953) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Long-term debt issued | - | - | - | - | 75,600 |
| Proceeds from sale of capital assets | - | - | - | - | 18,500 |
| Transfers in | 1,863,400 | 1,863,400 | 1,812,806 | (50,594) | 1,623,088 |
| Total other financing sources (uses) | 1,863,400 | 1,863,400 | 1,812,806 | (50,594) | 1,717,188 |
| **Net change in fund balance** | (148,696) | - | 168,619 | 168,619 | 301,235 |
| **Fund balance - January 1** | 7,427,383 | 7,427,383 | 7,427,383 | - | 7,126,148 |
| **Fund balance - December 31** | $ 7,278,687 | $ 7,427,383 | $ 7,596,002 | $ 168,619 | $ 7,427,383 |

*The notes to the basic financial statements are an integral part of this statement.*

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# City of De Pere, Wisconsin

**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Wastewater Treatment Plant Utility | Wastewater Utility | Stormwater Utility |
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash and investments | $ - | $ 75,465 | $ 455,144 | $ 1,214,730 |
| Receivables | | | | |
| Customer accounts | 1,637,090 | - | 2,452,389 | - |
| Other | 182,007 | - | - | - |
| Due from other governments | - | 1,239,225 | - | - |
| Inventories and prepaid items | 24,904 | - | - | - |
| Total current assets | 1,844,001 | 1,314,690 | 2,907,533 | 1,214,730 |
| Noncurrent assets | | | | |
| Restricted assets | | | | |
| Cash and investments | 210,332 | - | 150,000 | - |
| Capital assets | | | | |
| Nondepreciable | 53,207 | - | - | - |
| Depreciable | 24,170,900 | - | 16,572,744 | 11,461,890 |
| Total capital assets | 24,224,107 | - | 16,572,744 | 11,461,890 |
| Total assets | 26,278,440 | 1,314,690 | 19,630,277 | 12,676,620 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension related amounts | 195,876 | - | 159,235 | 122,525 |

*The notes to the basic financial statements are an integral part of this statement.*

| Totals | | Governmental Activities - Internal Service Funds | |
|---|---|---|---|
| 2017 | 2016 | 2017 | 2016 |
| $ 1,745,339 | $ 1,322,337 | $ 718,944 | $ 434,369 |
| 4,089,479 | 3,929,633 | - | - |
| 182,007 | 235,238 | - | - |
| 1,239,225 | 1,333,057 | - | - |
| 24,904 | 25,181 | - | - |
| 7,280,954 | 6,845,446 | 718,944 | 434,369 |
| 360,332 | 360,000 | - | - |
| 53,207 | 53,207 | - | - |
| 52,205,534 | 50,513,582 | - | - |
| 52,258,741 | 50,566,789 | - | - |
| 59,900,027 | 57,772,235 | 718,944 | 434,369 |
| 477,636 | 683,685 | - | - |

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# City of De Pere, Wisconsin

**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Wastewater Treatment Plant Utility | Wastewater Utility | Stormwater Utility |
| **LIABILITIES** | | | | |
| Current liabilities | | | | |
| Accounts payable | $ 719,267 | $ - | $ 1,145,509 | $ 17,025 |
| Accrued and other current liabilities | 6,510 | - | 4,529 | 3,904 |
| Due to other funds | 1,116,277 | - | - | - |
| Current portion of long-term debt | 432,700 | - | 377,852 | - |
| Payable from restricted assets | | | | |
| Accrued interest payable | 9,408 | - | 17,181 | - |
| Total current liabilities | 2,284,162 | - | 1,545,071 | 20,929 |
| Long-term obligations, less current portion | | | | |
| Advance from other funds | - | - | - | - |
| General obligation debt | 815,000 | - | 1,960,000 | - |
| Revenue bonds | 1,075,000 | - | - | - |
| Debt premium | 20,673 | - | 78,251 | - |
| Compensated absences | 65,189 | - | 73,228 | 68,432 |
| Net pension liability | 25,891 | - | 20,670 | 16,356 |
| Total long-term liabilities | 2,001,753 | - | 2,132,149 | 84,788 |
| Total liabilities | 4,285,915 | - | 3,677,220 | 105,717 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension related amounts | 82,319 | - | 65,719 | 52,005 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 21,880,734 | - | 14,156,641 | 11,461,890 |
| Restricted | 200,924 | - | - | - |
| Unrestricted | 24,424 | 1,314,690 | 1,889,932 | 1,179,533 |
| Total net position | $ 22,106,082 | $ 1,314,690 | $ 16,046,573 | $ 12,641,423 |

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities as reported on the Statement of Net Position (see page 11)

*The notes to the basic financial statements are an integral part of this statement.*

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| Totals | | Governmental Activities - Internal Service Funds | |
|---|---|---|---|
| 2017 | 2016 | 2017 | 2016 |
| $ 1,881,801 | $ 1,387,116 | $ 175,477 | $ 131,881 |
| 14,943 | 8,999 | - | - |
| 1,116,277 | 509,237 | - | - |
| 810,552 | 790,552 | - | - |
| 26,589 | 25,843 | - | - |
| 3,850,162 | 2,721,747 | 175,477 | 131,881 |
| - | - | 27,821 | 60,000 |
| 2,775,000 | 4,956,128 | - | - |
| 1,075,000 | - | - | - |
| 98,924 | - | - | - |
| 206,849 | - | - | - |
| 62,917 | 122,179 | - | - |
| 4,218,690 | 5,078,307 | 27,821 | 60,000 |
| 8,068,852 | 7,800,054 | 203,298 | 191,881 |
| 200,043 | 258,069 | - | - |
| 47,499,265 | 45,146,789 | - | - |
| 200,924 | 204,507 | - | - |
| 4,408,579 | 5,046,501 | 515,646 | 242,488 |
| 52,108,768 | 50,397,797 | $ 515,646 | $ 242,488 |
| (19,896) | (131,463) | | |
| $ 52,088,872 | $ 50,266,334 | | |

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# City of De Pere, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Wastewater Treatment Plant Utility | Wastewater Utility | Stormwater Utility |
| **OPERATING REVENUES** | | | | |
| Charges for services | $ 5,814,656 | $ - | $ 6,255,901 | $ 1,519,144 |
| Other | 333,325 | - | 3,249,827 | - |
| Total operating revenues | 6,147,981 | - | 9,505,728 | 1,519,144 |
| **OPERATING EXPENSES** | | | | |
| Claims and administrative fees | - | - | - | - |
| Operation and maintenance | 5,040,274 | - | 7,398,887 | 778,339 |
| Depreciation | 570,582 | - | 702,000 | 410,051 |
| Taxes | 38,924 | - | - | - |
| Total operating expenses | 5,649,780 | - | 8,100,887 | 1,188,390 |
| Operating income (loss) | 498,201 | - | 1,404,841 | 330,754 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| Interest income | 656 | 66,873 | - | - |
| Interest and fiscal charges | (78,241) | - | (43,101) | - |
| Total nonoperating revenues (expenses) | (77,585) | 66,873 | (43,101) | - |
| Income (loss) before contributions and transfers | 420,616 | 66,873 | 1,361,740 | 330,754 |
| Capital contributions | - | - | - | 250,394 |
| Transfers in | - | - | 320,970 | - |
| Transfers out | (449,903) | (320,970) | (269,503) | - |
| **Change in net position** | (29,287) | (254,097) | 1,413,207 | 581,148 |
| **Net position - January 1** | 22,135,369 | 1,568,787 | 14,633,366 | 12,060,275 |
| **Net position - December 31** | $ 22,106,082 | $ 1,314,690 | $ 16,046,573 | $ 12,641,423 |

Change in net position, per above
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position of business-type activities as reported on the Statement of Activities (see pages 12 - 13)

*The notes to the basic financial statements are an integral part of this statement.*

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| Totals | | Governmental Activities - Internal Service Funds | |
|---|---|---|---|
| 2017 | 2016 | 2017 | 2016 |
| $ 13,589,701 | $ 12,962,193 | $ 2,564,806 | $ 2,809,078 |
| 3,583,152 | 3,581,736 | - | - |
| 17,172,853 | 16,543,929 | 2,564,806 | 2,809,078 |
| - | - | 2,292,777 | 2,826,215 |
| 13,217,500 | 12,358,808 | - | - |
| 1,682,633 | 1,621,085 | - | - |
| 38,924 | 38,330 | - | - |
| 14,939,057 | 14,018,223 | 2,292,777 | 2,826,215 |
| 2,233,796 | 2,525,706 | 272,029 | (17,137) |
| 67,529 | 71,950 | 1,129 | 553 |
| (121,342) | (131,514) | - | - |
| (53,813) | (59,564) | 1,129 | 553 |
| 2,179,983 | 2,466,142 | 273,158 | (16,584) |
| 250,394 | 1,229,502 | - | - |
| 320,970 | - | - | - |
| (1,040,376) | (724,588) | - | - |
| 1,710,971 | 2,971,056 | 273,158 | (16,584) |
| 50,397,797 | 47,426,741 | 242,488 | 259,072 |
| $ 52,108,768 | $ 50,397,797 | $ 515,646 | $ 242,488 |
| $ 1,710,971 | $ 2,971,056 | | |
| 111,567 | (5,778) | | |
| $ 1,822,538 | $ 2,965,278 | | |

# City of De Pere, Wisconsin

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**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Wastewater Treatment Plant Utility | Wastewater Utility | Stormwater Utility |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 6,244,813 | $ - | $ 9,302,281 | $ 1,519,144 |
| Cash paid for services provided | - | - | - | - |
| Cash paid for employee wages and benefits | (607,423) | - | (484,016) | (487,192) |
| Cash paid to suppliers | (4,320,703) | - | (6,510,617) | (246,609) |
| Net cash provided by operating activities | 1,316,687 | - | 2,307,648 | 785,343 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Due to/from other funds | 1,116,277 | - | (509,237) | - |
| Transfer in (out) | (449,903) | (320,970) | 51,467 | - |
| Net cash provided (used) by noncapital financing activities | 666,374 | (320,970) | (457,770) | - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition of capital assets | (1,523,549) | - | (981,266) | (869,770) |
| Proceeds of long-term debt | - | - | - | - |
| Debt premium received | - | - | - | - |
| Proceeds from sale of treatment plant | - | 93,832 | - | - |
| Debt issuance costs paid | - | - | - | - |
| Capital contributions | - | - | - | 250,394 |
| Principal paid on long-term debt | (417,500) | - | (357,500) | - |
| Interest paid on long-term debt | (80,180) | - | (55,968) | - |
| Net cash provided (used) by capital and related financing activities | (2,021,229) | 93,832 | (1,394,734) | (619,376) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest received | 656 | 66,873 | - | - |
| **Change in cash and cash equivalents** | (37,512) | (160,265) | 455,144 | 165,967 |
| **Cash and cash equivalents - January 1** | 247,844 | 235,730 | 150,000 | 1,048,763 |
| **Cash and cash equivalents - December 31** | $ 210,332 | $ 75,465 | $ 605,144 | $ 1,214,730 |

| Totals | | Governmental Activities - Internal Service Funds | |
|---|---|---|---|
| 2017 | 2016 | 2017 | 2016 |
| $ 17,066,238 | $ 16,396,782 | $ - | $ - |
| - | - | 2,564,806 | 2,809,078 |
| (1,578,631) | (1,644,526) | - | - |
| (11,077,929) | (10,980,528) | (2,249,181) | (2,804,626) |
| 4,409,678 | 3,771,728 | 315,625 | 4,452 |
| | | | |
| 607,040 | (1,179,963) | (32,179) | - |
| (719,406) | (724,588) | - | - |
| (112,366) | (1,904,551) | (32,179) | - |
| | | | |
| (3,374,585) | (3,193,875) | - | - |
| - | 2,015,000 | - | - |
| - | 53,046 | - | - |
| 93,832 | 89,364 | - | - |
| - | (12,598) | - | - |
| 250,394 | - | - | - |
| (775,000) | (650,000) | - | - |
| (136,148) | (123,358) | - | - |
| (3,941,507) | (1,822,421) | - | - |
| | | | |
| 67,529 | 71,950 | 1,129 | 553 |
| 423,334 | 116,706 | 284,575 | 5,005 |
| 1,682,337 | 1,565,631 | 434,369 | 429,364 |
| $ 2,105,671 | $ 1,682,337 | $ 718,944 | $ 434,369 |

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# City of De Pere, Wisconsin

**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Wastewater Treatment Plant Utility | Wastewater Utility | Stormwater Utility |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | | | |
| Operating income (loss) | $ 498,201 | $ - | $ 1,404,841 | $ 330,754 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | |
| Depreciation | 570,582 | - | 702,000 | 410,051 |
| Depreciation charged to sewer utility | 37,168 | - | (37,168) | - |
| Change in liability (asset) and deferred outflows and inflows of resources | 37,368 | - | 27,612 | 23,781 |
| Change in operating assets and liabilities | | | | |
| Accounts receivables | 96,832 | - | (203,447) | - |
| Inventories and prepaid items | 277 | - | - | - |
| Accounts payable | 68,442 | - | 419,668 | 6,575 |
| Accrued and other current liabilities | 2,382 | - | 1,532 | 2,030 |
| Compensated absences | 5,435 | - | (7,390) | 12,152 |
| Net cash provided by operating activities | $ 1,316,687 | $ - | $ 2,307,648 | $ 785,343 |
| | | | | |
| Reconciliation of cash and cash equivalents to the statement of net position | | | | |
| Cash and cash equivalents in current assets | $ - | $ 75,465 | $ 455,144 | $ 1,214,730 |
| Cash and cash equivalents in restricted assets | 210,332 | - | 150,000 | - |
| Total cash and cash equivalents | $ 210,332 | $ 75,465 | $ 605,144 | $ 1,214,730 |

Noncash capital and related financing activities
None

*The notes to the basic financial statements are an integral part of this statement.*

| Totals | | Governmental Activities - Internal Service Funds | |
|---|---|---|---|
| 2017 | 2016 | 2017 | 2016 |
| $ 2,233,796 | $ 2,525,706 | $ 272,029 | $ (17,137) |
| 1,682,633 | 1,621,085 | - | - |
| - | - | - | - |
| 88,761 | 49,204 | - | - |
| (106,615) | (147,147) | - | - |
| 277 | (538) | - | - |
| 494,685 | (316,016) | 43,596 | 21,589 |
| 5,944 | 242 | - | - |
| 10,197 | 39,192 | - | - |
| $ 4,409,678 | $ 3,771,728 | $ 315,625 | $ 4,452 |
| $ 1,745,339 | $ 1,322,337 | $ 718,944 | $ 434,369 |
| 360,332 | 360,000 | - | - |
| $ 2,105,671 | $ 1,682,337 | $ 718,944 | $ 434,369 |

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# City of De Pere, Wisconsin

**STATEMENT OF FIDUCIARY NET POSITION**
**FIDUCIARY FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Tax Collection | Trust Deposits | Totals 2017 | Totals 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash and investments | $ 2,806,951 | $ 25,230 | $ 2,832,181 | $ 8,261,531 |
| Receivables | | | | |
| Taxes | 26,557,395 | - | 26,557,395 | 20,672,856 |
| Total assets | $ 29,364,346 | $ 25,230 | $ 29,389,576 | $ 28,934,387 |
| **LIABILITIES** | | | | |
| Current liabilities | | | | |
| Deposits held in trust | $ - | $ 25,230 | $ 25,230 | $ 25,130 |
| Due to other governments | 29,364,346 | - | 29,364,346 | 28,909,257 |
| Total liabilities | $ 29,364,346 | $ 25,230 | $ 29,389,576 | $ 28,934,387 |

*The notes to the basic financial statements are an integral part of this statement.*

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of De Pere, Wisconsin (the "City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

**A. REPORTING ENTITY**
The City is a municipal corporation governed by an elected eight member board. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

**B. RELATED ORGANIZATIONS**
The City's officials are also responsible for appointing the members of the Boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. Therefore, these organizations are not included in the City's reporting entity. The Mayor and the City Council appoints some or all of the members of the following related organization:

De Pere Housing Authority

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**
The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

**General Fund**
This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**Debt Service Fund**
This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

**Public Improvements Fund**
This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

**Tax Incremental City No. 6 Capital Projects Fund**
This fund is used to account for financing and construction of tax incremental City projects. Significant revenues include tax increments and special assessments.

The City reports the following major enterprise funds:

**Water Utility Fund**
This fund accounts for the operations of the City's water utility.

**Wastewater Treatment Plant Utility Fund**
This fund is used to account for the collection of the long-term receivable from the sale of the City's wastewater treatment plant utility.

**Wastewater Utility Fund**
This fund accounts for the operations of the City's wastewater utility.

**Stormwater Utility Fund**
This fund accounts for the operations of the City's stormwater utility.

Additionally, the City reports the following fund types:

- *Internal service fund* accounts for health insurance and dental insurances services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.
- The City accounts for property taxes collected on behalf of other governments in an *agency fund.*

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**
The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE**

**1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**2. Property Taxes and Special Charges/Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the De Pere and West De Pere Schools, Brown County, and Northeast Wisconsin Technical College. Brown County currently collects the City's property taxes by agreement.

3. **Accounts Receivable**
Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. **Special Assessments**
Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2017 tax roll are recognized as revenue in 2018. Special assessments are subject to collection procedures.

5. **Loans Receivable**
The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. **Interfund Receivables and Payables**
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. **Inventories**
Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. **Prepaid Items**
Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**9. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual costs of $5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

| | Governmental Activities | Business-type Activities |
|---|---|---|
| Assets | Years | |
| Land improvements | 15 - 25 | - |
| Buildings and improvements | 30 - 50 | 25 - 50 |
| Machinery and equipment | 5 - 25 | 3 - 10 |
| Infrastructure | 25 - 100 | 25 - 100 |

**10. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**11. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

**12. Long-term Obligations**

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**13. Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**14. Fund Equity**

***Governmental Fund Financial Statements***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized any City official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

***Government-Wide and Proprietary Fund Statements***

Equity is classified as net position and displayed in three components:

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

**F. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**G. PRIOR YEAR INFORMATION**

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

**H. RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

## NOTE 2: STEWARDSHIP AND COMPLIANCE

**A. BUDGETS AND BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2017.

**B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2017 as follows:

| Funds | Excess Expenditures |
|---|---|
| General Fund | |
| Sanitation | $ 37,002 |
| Culture and Recreation | 129,619 |

**C. DEFICIT FUND EQUITY**

The following funds had deficit fund balance as of December 31, 2017:

| Funds | Deficit Fund Balance |
|---|---|
| Special Revenue Fund | |
| Cable Access | $ 167,117 |
| Capital Projects Funds | |
| TID No. 7 | 227,601 |
| TID No. 9 | 325,526 |
| TID No. 10 | 66,497 |
| TID No. 11 | 1,169,997 |
| TID No. 13 | 155,463 |

The City anticipates funding the above deficits from future revenues of the funds.

**D. PROPERTY TAX LEVY LIMIT**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2017 and 2018 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2017 budget was 0.61%. The actual limit for the City for the 2018 budget was 1.13%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

## NOTE 3: DETAILED NOTES ON ALL FUNDS

**A. CASH AND INVESTMENTS**

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

> Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled $15,384,332 on December 31, 2017 as summarized below:

| | |
|---|---|
| Petty cash and cash on hand | $ 3,574 |
| Deposits with financial institutions | 1,613,703 |
| Investments | |
| U.S. Treasury securities | 5,916,731 |
| Federal agency securities | 5,797,329 |
| Corporate bonds and notes | 300,000 |
| Municipal bonds | 53,731 |
| Money market mutual funds | 362,629 |
| Wisconsin local government investment pool | 3,025,419 |
| | $ 17,073,116 |

Reconciliation to the basic financial statements:

| | |
|---|---|
| Government-wide Statement of Net Position | |
| Cash and investments | $ 10,289,502 |
| Restricted cash and investments | 3,951,433 |
| Fiduciary Fund Statement of Net Position | |
| Cash and investments | 2,832,181 |
| | $ 17,073,116 |

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2017:

| | Fair Value Measurements Using: | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Investments | | | |
| U.S. Treasury securities | $ - | $ 5,916,731 | $ - |
| Federal agency securities | - | 5,797,329 | - |
| Corporate bonds and notes | - | 300,000 | - |
| Municipal bonds | - | 53,731 | - |
| Money market mutual funds | 362,629 | - | - |
| | $ 362,629 | $ 12,067,791 | $ - |

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

# City of De Pere, Wisconsin

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## NOTES TO BASIC FINANCIAL STATEMENTS
## DECEMBER 31, 2017

**Custodial Credit Risk**
Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The city's policy required collateralization for depository institutions rated average. Collateralization is not required for institutions rated superior or excellent.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2017, $1,509,624 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. $1,509,624 was collateralized with securities held by the pledging financial institution or its trust department or agent by not in the City's name.

**Credit Risk**
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

| Investment Type | Amount | Exempt from Disclosure | AAA | Aa | Not Rated |
|---|---|---|---|---|---|
| U.S. Treasury securities | $ 5,916,731 | $ 5,916,731 | $ - | $ - | $ - |
| Federal agency securities | 5,797,329 | - | 5,797,329 | - | - |
| Corporate bonds and notes | 300,000 | - | - | 300,000 | - |
| Municipal bonds | 53,731 | - | - | 53,731 | - |
| Money market mutual funds | 362,629 | - | - | - | 362,629 |
| Wisconsin local government investment pool | 3,025,419 | - | - | - | 3,025,419 |
| Totals | $ 15,455,839 | $ 5,916,731 | $ 5,797,329 | $ 353,731 | $ 3,388,048 |

**Concentration of Credit Risk**

The investment policy of the City limits the amount that can be invested in any one security type issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

| Issuer | Investment Type | Reported Amount | Percent of Total Investments |
|---|---|---|---|
| Federal Home Loan Mortgage Corporation | Federal Agency Securities | $ 1,469,308 | 11% |
| Federal National Mortgage Association | Federal Agency Securities | 1,475,732 | 11% |
| Freddie Mac | Federal Agency Securities | 1,121,605 | 8% |

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

| | | Remaining Maturity (in Months) | | | |
|---|---|---|---|---|---|
| Investment Type | Amount | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | More Than 60 Months |
| U.S. Treasury securities | $ 5,916,731 | $ 3,722,895 | $ 1,702,406 | $ 292,292 | $ 199,138 |
| Federal agency securities | 5,797,329 | 490,065 | 577,485 | 1,009,014 | 3,720,765 |
| Corporate Bonds & Notes | 300,000 | - | - | 300,000 | - |
| Municipal Bonds | 53,731 | - | - | - | 53,731 |
| Money market mutual funds | 362,629 | 362,629 | - | - | - |
| Wisconsin local government investment pool | 3,025,419 | 3,025,419 | - | - | - |
| Totals | $ 15,455,839 | $ 7,601,008 | $ 2,279,891 | $ 1,601,306 | $ 3,973,634 |

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

| Highly Sensitive Investments | Fair Value at Year End |
|---|---|
| Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. | $ 5,797,329 |

**Wisconsin Local Government Investment Pool**

The City has investments in the Wisconsin local government investment pool of $3,025,419 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

**B. RESTRICTED ASSETS**

Restricted assets on December 31, 2017 totaled $3,951,433 and consisted of cash and investments held for the following purposes:

| Funds | Amount | Purpose |
|---|---|---|
| Debt Service Fund | | |
| Debt retirement | $ 1,094,916 | Resources available for debt retirement |
| 2008A escrow account | 1,688,785 | Resources available for retirement of 2008B bonds |
| Total Debt Service | 2,783,701 | |
| Special Revenue Funds | | |
| Development loans | 807,400 | Resources available for economic development loans |
| Enterprise Funds | | |
| Water Utility | | |
| Revenue bond reserve fund | 210,332 | To reserve additional funds for debt retirement; to be used if sufficient funds are not available. |
| Wastewater Utility | | |
| Debt retirement | 150,000 | To reserve additional funds for debt retirement |
| Total Enterprise Funds | 360,332 | |
| Total | $ 3,951,433 | |

**C. DUE FROM OTHER GOVERNMENTS**

In prior years, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GMBSD) with the sale price repaid to the City over a 20 year period. The notes receivable from GBMSD was discounted using a 5% interest rate. Annual principal and interest payments of $160,485 are due annually through 2027, with a notes receivable balance of $1,239,225 as of December 31, 2017 as summarized below.

| Year Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 98,524 | $ 61,961 | $ 160,485 |
| 2019 | 103,450 | 57,035 | 160,485 |
| 2020 | 108,622 | 51,863 | 160,485 |
| 2021 | 114,054 | 46,431 | 160,485 |
| 2022 | 119,756 | 40,729 | 160,485 |
| 2023 - 2027 | 694,819 | 107,606 | 802,425 |
| | $ 1,239,225 | $ 365,625 | $ 1,604,850 |

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, nondepreciable: | | | | |
| Land | $ 9,731,371 | $ - | $ - | $ 9,731,371 |
| Capital assets, depreciable: | | | | |
| Land improvements | 6,139,432 | - | - | 6,139,432 |
| Buildings and improvements | 12,290,118 | 53,219 | - | 12,343,337 |
| Machinery and equipment | 10,214,530 | 561,055 | 470,072 | 10,305,513 |
| Infrastructure | 73,498,030 | 1,647,153 | - | 75,145,183 |
| Subtotals | 102,142,110 | 2,261,427 | 470,072 | 103,933,465 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 2,445,710 | 114,315 | - | 2,560,025 |
| Buildings and improvements | 7,051,277 | 315,790 | - | 7,367,067 |
| Machinery and equipment | 6,840,014 | 563,880 | 467,667 | 6,936,227 |
| Infrastructure | 28,485,383 | 1,709,173 | - | 30,194,556 |
| Subtotals | 44,822,384 | 2,703,158 | 467,667 | 47,057,875 |
| Total capital assets, depreciable, net | 57,319,726 | (441,731) | 2,405 | 56,875,590 |
| Governmental activities capital assets, net | $ 67,051,097 | $ (441,731) | $ 2,405 | 66,606,961 |
| Less: Capital related debt | | | | 30,656,215 |
| Less: Debt premium | | | | 705,902 |
| Net investment in capital assets | | | | $ 35,244,844 |
| **Business-type activities:** | | | | |
| Capital assets, nondepreciable: | | | | |
| Land | $ 53,207 | $ - | $ - | $ 53,207 |
| Capital assets, depreciable: | | | | |
| Buildings and improvements | 892,181 | - | - | 892,181 |
| Machinery and equipment | 6,044,285 | 606,376 | 351,766 | 6,298,895 |
| Infrastructure | 67,452,303 | 2,768,209 | 359,611 | 69,860,901 |
| Subtotals | 74,388,769 | 3,374,585 | 711,377 | 77,051,977 |
| Less accumulated depreciation | 23,875,187 | 1,682,633 | 711,377 | 24,846,443 |
| Total capital assets, depreciable, net | 50,513,582 | 1,691,952 | - | 52,205,534 |
| Business-type activities capital assets, net | $ 50,566,789 | $ 1,691,952 | $ - | 52,258,741 |
| Less: Capital related debt | | | | 4,645,000 |
| Less: Debt premium | | | | 114,476 |
| Net investment in capital assets | | | | $ 47,499,265 |

Depreciation expense was charged to functions of the City as follows:

| | |
|---|---|
| Governmental activities | |
| General government | $ 73,144 |
| Public safety | 296,570 |
| Public works | 2,040,511 |
| Culture and recreation | 292,933 |
| Total depreciation expense - governmental activities | $ 2,703,158 |
| | |
| Business-type activities | |
| Water utility | $ 570,582 |
| Wastewater utility | 702,000 |
| Stormwater utility | 410,051 |
| Total depreciation expense - business-type activities | $ 1,682,633 |

**E. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS**

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2017 are detailed below:

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| Temporary cash advances to finance operating cash deficits | | |
| Governmental Funds | | |
| General | $ 4,451,302 | $ - |
| Cable Access | - | 185,789 |
| TID No. 6 | - | 1,205,360 |
| TID No. 7 | - | 227,325 |
| TID No. 9 | - | 325,250 |
| TID No. 10 | - | 66,117 |
| TID No. 11 | - | 1,169,721 |
| TID No. 13 | - | 155,463 |
| Proprietary Fund | | |
| Water Utility | - | 1,116,277 |
| Subtotal | 4,451,302 | 4,451,302 |
| Long-term advances | | |
| General Fund | 27,821 | - |
| Internal Service Funds | | |
| Health Self Insurance | - | 17,821 |
| Dental Self Insurance | - | 10,000 |
| Subtotal | 27,821 | 27,821 |
| | | |
| Totals | $ 4,479,123 | $ 4,479,123 |

# City of De Pere, Wisconsin

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## NOTES TO BASIC FINANCIAL STATEMENTS
## DECEMBER 31, 2017

Interfund transfers for the year ended December 31, 2017 were as follows:

| Funds | Transfer In | Transfer Out |
|---|---|---|
| General | $ 1,812,806 | $ - |
| Wastewater Utility | 320,970 | 269,503 |
| Wastewater Treatment Plant Utility | - | 320,970 |
| Water Utility | - | 449,903 |
| Riverwalk Pier | - | 32,000 |
| Public Improvements | - | 375,000 |
| Capital Equipment | - | 800,000 |
| TID No. 5 | - | 574,833 |
| TID No. 6 | 1,131,404 | 1,658,869 |
| TID No. 7 | - | 678,094 |
| TID No. 8 | 201,000 | 354,011 |
| TID No. 9 | - | 130,360 |
| TID No. 10 | - | 177,403 |
| TID No. 11 | - | 1,131,404 |
| Debt Service | 3,486,170 | - |
| | $ 6,952,350 | $ 6,952,350 |

Interfund transfers were made for the following purposes:

| | |
|---|---|
| Transfer to debt service for debt payments | $ 3,486,170 |
| Transfer to general fund for equipment purchases | 1,343,400 |
| Transfer to general fund for payment in lieu of taxes | 469,406 |
| Transfer from TID 6 to TID 11 for reimbursment of expenditures | 1,131,404 |
| Transfer from TID 7 to TID 8 for reimbursment of expenditures | 201,000 |
| Transfer from wastewater collection to wastewater treatment plant utility | 320,970 |
| | $ 6,952,350 |

# City of De Pere, Wisconsin

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## NOTES TO BASIC FINANCIAL STATEMENTS
## DECEMBER 31, 2017

### F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2017:

| | Beginning Balance | Issued | Retired | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| General Obligation Debt | | | | | |
| Bonds | $ 13,520,000 | $ 1,700,000 | $ 1,640,000 | $ 13,580,000 | $ 3,350,000 |
| Taxable bonds | 5,625,000 | - | 575,000 | 5,050,000 | 595,000 |
| Notes | 12,775,000 | 2,015,000 | 2,010,000 | 12,780,000 | 2,220,000 |
| Taxable notes | 1,145,000 | - | 210,000 | 935,000 | 215,000 |
| Total General Obligation Debt | 33,065,000 | 3,715,000 | 4,435,000 | 32,345,000 | 6,380,000 |
| Debt premium | 731,808 | 55,788 | 81,694 | 705,902 | 86,424 |
| Capital leases | 36,355 | - | 36,355 | - | - |
| Compensated absences | 1,740,403 | 94,376 | 72,963 | 1,761,816 | - |
| Governmental activities Long-term obligations | $ 35,573,566 | $ 3,865,164 | $ 4,626,012 | $ 34,812,718 | $ 6,466,424 |
| **Business-type activities:** | | | | | |
| General Obligation Debt | | | | | |
| Notes | $ 3,690,000 | $ - | $ 455,000 | $ 3,235,000 | $ 460,000 |
| Revenue bonds | 1,730,000 | - | 320,000 | 1,410,000 | 335,000 |
| Debt premium | 130,028 | - | 15,552 | 114,476 | 15,552 |
| Compensated absences | 196,652 | 10,197 | - | 206,849 | - |
| Business-type activities Long-term obligations | $ 5,746,680 | $ 10,197 | $ 790,552 | $ 4,966,325 | $ 810,552 |

Total interest paid during the year on long-term debt totaled $1,039,400.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

| | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance 12/31/17 |
|---|---|---|---|---|---|
| General obligation bonds: | | | | | |
| 2007 | 11/07/07 | 2026 | 4.05% | $ 2,020,000 | $ 1,160,000 |
| 2008A | 08/01/08 | 2027 | 4.25-4.50% | 1,000,000 | 625,000 |
| 2008B | 08/01/08 | 2027 | 5.30-5.60% | 2,270,000 | 1,770,000 |
| 2011A | 08/15/11 | 2025 | 1.75-3.45% | 2,245,000 | 1,290,000 |
| 2012A | 09/20/12 | 2027 | 0.90-2.40% | 2,980,000 | 1,650,000 |
| 2013A | 08/13/13 | 2028 | 3.00-3.625% | 5,650,000 | 3,270,000 |
| 2014A | 11/20/14 | 2029 | 2.00-3.00% | 1,075,000 | 880,000 |
| 2014B | 11/20/14 | 2023 | 2.00-3.00% | 2,530,000 | 1,235,000 |
| 2017B | 10/18/17 | 2027 | 2.75% | 1,700,000 | 1,700,000 |
| General obligation taxable bonds: | | | | | |
| 2009A | 05/12/09 | 2028 | 4.50-5.625% | 1,875,000 | 1,350,000 |
| 2012B | 09/20/12 | 2031 | 1.30-3.90% | 2,850,000 | 2,420,000 |
| 2013B | 08/13/13 | 2023 | 2.00-3.50% | 2,530,000 | 1,280,000 |
| General obligation notes: | | | | | |
| 2010 | 10/28/10 | 2020 | 1.50-3.00% | 2,985,000 | 775,000 |
| 2011B | 08/15/11 | 2020 | 2.00-2.70% | 1,565,000 | 235,000 |
| 2015A | 09/24/15 | 2025 | 2.00-3.00% | 8,285,000 | 5,870,000 |
| 2016A | 10/19/16 | 2026 | 1.00-2.00% | 7,915,000 | 7,120,000 |
| 2017A | 10/18/17 | 2027 | 2.00-2.25% | 2,015,000 | 2,015,000 |
| General obligation taxable notes: | | | | | |
| 2009B | 05/12/09 | 2018 | 4.50-4.75% | 800,000 | 130,000 |
| 2016B | 10/19/16 | 2026 | 2.00-2.25% | 890,000 | 805,000 |
| Total Outstanding General Obligation Debt | | | | | $ 35,580,000 |

Annual principal and interest maturities of the outstanding general obligation debt of $35,580,000 on December 31, 2017 are detailed below:

| Year Ended | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| December 31, | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | $ 6,380,000 | $ 851,115 | $ 460,000 | $ 66,338 | $ 6,840,000 | $ 917,453 |
| 2019 | 4,365,000 | 697,376 | 470,000 | 59,988 | 4,835,000 | 757,364 |
| 2020 | 3,910,000 | 592,284 | 475,000 | 49,813 | 4,385,000 | 642,097 |
| 2021 | 2,795,000 | 490,448 | 490,000 | 39,219 | 3,285,000 | 529,667 |
| 2022 | 2,725,000 | 422,794 | 500,000 | 28,050 | 3,225,000 | 450,844 |
| 2023 - 2027 | 11,015,000 | 1,065,896 | 840,000 | 52,700 | 11,855,000 | 1,118,596 |
| 2028 - 2031 | 1,155,000 | 68,388 | - | - | 1,155,000 | 68,388 |
| | $ 32,345,000 | $ 4,188,301 | $ 3,235,000 | $ 296,108 | $ 35,580,000 | $ 4,484,409 |

For governmental activities, the other long-term liabilities are generally funded by the general fund.

**Build America Bond**

The general obligation debt issued on May 12, 2009 qualifies as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The City is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the City to file a claim form annually.

**Legal Margin for New Debt**

The City's legal margin for creation of additional general obligation debt on December 31, 2017 was $68,738,231 as follows:

| | | |
|---|---|---|
| Equalized valuation of the City | | $ 2,030,690,600 |
| Statutory limitation percentage | | (x) 5% |
| General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes | | 101,534,530 |
| Total outstanding general obligation debt applicable to debt limitation | $ 35,580,000 | |
| Less: Amounts available for financing general obligation debt | | |
| Debt service fund | 2,783,701 | |
| Net outstanding general obligation debt applicable to debt limitation | | 32,796,299 |
| Legal margin for new debt | | $ 68,738,231 |

**Crossover Refunding**

During 2017, the City refunded the 2019 through 2027 maturities from the 2008B general obligation bonds totaling $1,660,000 by issuing $1,700,000 of general obligation refunding bonds, series 2017B. The proceeds of the refunding bonds were used to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources to retire the 2018 interest on the Series 2017B bonds, and the 2008B Series principal of $1,660,000 on December 1, 2018 (the crossover date). Because the City continues to be responsible for interest payments on the 2008B Series bonds through the crossover date, the City recorded the irrevocable trust assets of $1,688,785 as restricted assets within its debt service fund, and both debt issues are recorded as liabilities of the City. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by $226,823 and to obtain an economic gain of $197,135.

**Revenue Bonds**

Revenue bonds outstanding on December 31, 2017 totaled $1,410,000 and were comprised of the following issues:

| | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance 12/31/17 |
|---|---|---|---|---|---|
| Water utility revenue bond | 03/07/07 | 2021 | 3.81% | $ 4,395,000 | $ 1,410,000 |

Annual principal and interest maturities of the outstanding revenue bonds of $1,410,000 on December 31, 2017 are detailed below:

| Year Ended December 31, | Business-type Activities Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 335,000 | $ 53,721 | $ 388,721 |
| 2019 | 345,000 | 40,957 | 385,957 |
| 2020 | 360,000 | 27,813 | 387,813 |
| 2021 | 370,000 | 14,097 | 384,097 |
| | $ 1,410,000 | $ 136,588 | $ 1,546,588 |

**Utility Revenues Pledged**

The City has pledged future water customer revenues, net of specified operating expenses, to repay the water revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water customer net revenues and are payable through 2021. The total principal and interest remaining to be paid on the bonds is $1,546,588. Principal and interest paid for the current year and total customer net revenues were $385,913 and $1,068,439, respectively.

**G. CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $509,830.

**H. PENSION PLAN**

**1. Plan Description**

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school City educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**2. Post-Retirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

| Year | Core Fund Adjustment | Variable Fund Adjustment |
|---|---|---|
| 2007 | 3% | 10% |
| 2008 | 6.6 | 0 |
| 2009 | (2.1) | (42) |
| 2010 | (1.3) | 22 |
| 2011 | (1.2) | 11 |
| 2012 | (7.0) | (7) |
| 2013 | (9.6) | 9 |
| 2014 | 4.7 | 25 |
| 2015 | 2.9 | 2 |
| 2016 | 0.5 | (5) |

**3. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2016, the WRS recognized $862,667 in contributions from the City.

Contribution rates for the reporting period are:

| Employee Category | Employee | Employer |
|---|---|---|
| General (including teachers) | 6.6% | 6.6% |
| Protective with Social Security | 6.6% | 9.4% |
| Protective without Social Security | 6.6% | 13.2% |

# City of De Pere, Wisconsin

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## NOTES TO BASIC FINANCIAL STATEMENTS
## DECEMBER 31, 2017

**4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2017, the City reported a liability of $729,575 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City's proportion was 0.08851506%, which was an increase of 0.00129597% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of $1,882,377.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 278,188 | $ 2,294,452 |
| Net differences between projected and actual earnings on pension plan investments | 3,631,595 | - |
| Changes in assumptions | 762,799 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 28,406 | 25,210 |
| Employer contributions subsequent to the measurement date | 947,840 | - |
| Total | $ 5,648,828 | $ 2,319,662 |

$947,840 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year ended December 31, | Net Deferred Outflow of Resources |
|---|---|
| 2017 | $ 972,548 |
| 2018 | 972,548 |
| 2019 | 657,804 |
| 2020 | (222,641) |
| 2021 | 1,067 |
| Total | $ 2,381,326 |

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Actuarial Valuation Date: | December 31, 2015 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2016 |
| Actuarial Cost Method: | Entry Age |
| Asset Valuation Method: | Fair Value |
| Long-term Expected Rate of Return: | 7.2% |
| Discount Rate: | 7.2% |
| Salary Increases: | |
| Inflation | 3.2% |
| Seniority/Merit | 0.2% - 5.6% |
| Mortality | Wisconsin 2012 Mortality Table |
| Post-retirement Adjustments* | 2.1% |

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

**Long-term Expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| | Current Asset Allocation % | Destination Target Asset Allocation % | Long-term Expected Nominal Rate of Return % | Long-term Expected Real Rate of Return % |
|---|---|---|---|---|
| Core Fund Asset Class | | | | |
| Global Equities | 50% | 45% | 8.3% | 5.4% |
| Fixed Income | 24.5% | 37% | 4.2% | 1.4% |
| Inflation Sensitive Assets | 15.5% | 20% | 4.3% | 1.5% |
| Real Estate | 8% | 7% | 6.5% | 3.6% |
| Private Equity/Debt | 8% | 7% | 9.4% | 6.5% |
| Multi-asset | 4% | 4% | 6.6% | 3.7% |
| Total Core Fund | 110% | 120% | 7.4% | 4.5% |
| Variable Fund Asset Class | | | | |
| U.S. Equities | 70% | 70% | 7.6% | 4.7% |
| International Equities | 30% | 30% | 8.5% | 5.6% |
| Total Variable Fund | 100% | 100% | 7.9% | 5% |

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single Discount Rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

| | 1% Decrease to Discount Rate (6.20%) | Current Discount Rate (7.20%) | 1% Increase to Discount Rate (8.20%) |
|---|---|---|---|
| City's proportionate share of the net pension liability (asset) | $ 9,598,033 | $ 729,575 | $ (6,099,538) |

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

**I. OTHER POSTEMPLOYMENT BENEFITS**

The City has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2017. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended December 31, 2016 have not been restated.

***Plan Description***

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. City paid medical benefits are paid for as indicated below. All employees of the City are eligible for the Plan if they meet the following age and service requirements below.

***Benefits Provided***

The City provides medical (including prescription drugs) and dental coverage for retired employees through the City's self-insured plans.

***Employees Covered by Benefit Terms***

At December 31, 2017, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 5 |
| Active employees | 121 |
| | 126 |

***Contributions***

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. City paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

***Total OPEB Liability***

The City's total OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of December 31, 2016.

**Actuarial Assumptions.** The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation: | 2.50% |
| Salary increases: | 3.00% |
| Investment rate of return: | 3.50% |
| Medical care cost trend rates: | 7.5% decreasing by 0.50% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter. |

Mortality rates are the same as those used in the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2016 valuation were based on the "Wisconsin Retirement System 2012 - 2014 Experience Study" conducted in 2015.

The long-term expected rate of return on OPEB plan investments was valued at 3.5%. A blend of expected earnings on City funds and the current yield for 20 year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 3.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

***Changes in the Total OPEB Liability***

| | Increase (Decrease) Total OPEB Liability |
|---|---|
| Balance at December 31, 2016 | $ 368,742 |
| Changes for the year: | |
| Service cost | 22,795 |
| Interest | 12,862 |
| Changes of assumptions | (5,254) |
| Benefit payments | (14,784) |
| Net changes | 15,619 |
| Balance at December 31, 2017 | $ 384,361 |

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0%) or 1-percentage-point higher (4.0%) than the current rate:

| | 1% Decrease to Discount Rate (2.5%) | Current Discount Rate (3.5%) | 1% Increase to Discount Rate (4.5%) |
|---|---|---|---|
| Total OPEB liability | $ 412,299 | $ 384,361 | $ 358,378 |

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

| | 1% Decrease (6.5% decreasing to 4.0%) | Healthcare Cost Trend Rates (7.5% decreasing to 5.0%) | 1% Increase (8.5% decreasing to 6.0%) |
|---|---|---|---|
| Total OPEB liability | $ 344,834 | $ 384,361 | $ 430,652 |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2017, the City recognized OPEB expense of $35,657. At December 31, 2017, the City reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

***Payable to the OPEB Plan***

At December 31, 2017, the City reported no payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2017.

**J. FUND EQUITY**

**Nonspendable Fund Balance**

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2017, nonspendable fund balance was as follows:

| | | |
|---|---|---|
| General Fund | | |
| Nonspendable | | |
| Inventories and prepaid items | $ | 147,989 |
| Special assessments | | 32,304 |
| Advances to other funds | | 27,821 |
| Total Nonspendable Fund Balance | $ | 208,114 |

**Restricted Fund Balance**

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2017, restricted fund balance was as follows:

| | | |
|---|---|---|
| General Fund | | |
| Restricted for | | |
| Property tax relief and economic development | $ | 1,061,905 |
| Fire UTV Fund | | 3,947 |
| Recreation scholarship | | 24,649 |
| Total General Fund Restricted Fund Balance | | 1,090,501 |
| Debt Service Fund | | 2,783,701 |
| Special Revenue Funds | | |
| Restricted for | | |
| Development loans | | 861,073 |
| Public Land Acquisition | | 68,892 |
| | | 929,965 |
| Capital Projects Funds | | |
| Restricted for | | |
| Tax incremental financing district expenditures | | |
| TID No. 5 | | 484,160 |
| TID No. 6 | | 18,278 |
| TID No. 8 | | 667,537 |
| TID No. 12 | | 632,626 |
| Total Tax incremental financing district expenditures | | 1,802,601 |
| Total Restricted Fund Balance | $ | 6,606,768 |

# City of De Pere, Wisconsin

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**Committed Fund Balance**

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2017, General Fund balance was committed as follows:

| | |
|---|---|
| General Fund | |
| Committed for | |
| Non-lapsing funds | $ 173,263 |
| Special Revenue Funds | |
| Committed for | |
| Riverwalk pier | 1,172 |
| Dog park | 9,040 |
| Park equipment | 26,767 |
| Capital equipment | 93,528 |
| Community center | 5,521 |
| Police/fire expansion | 2,932 |
| Total Special Revenue Fund Committed Fund Balance | 138,960 |
| Capital Improvements Fund | |
| Committed for | |
| Capital outlay | 133,647 |
| Total Committed Fund Balance | $ 445,870 |

**Minimum General Fund Balance Policy**

The City has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

| | |
|---|---|
| Budgeted 2018 General Fund Expenditures | $ 17,244,401 |
| Minimum Fund Balance % | (x) 25% |
| Minimum Fund Balance Amount | $ 4,311,100 |

The City's unassigned general fund balance of $6,124,124 is above the minimum fund balance amount.

**Net Position**

The City reports restricted net position at December 31, 2017 as follows:

| | |
|---|---|
| Governmental Activities | |
| Restricted for | |
| Debt service | $ 958,212 |
| Property tax relief and economic development | 1,061,905 |
| Development loans | 1,387,938 |
| Recreation scholarship | 24,649 |
| Fire UTV fund | 19,850 |
| Park land acquisition | 68,892 |
| Total Governmental Activities Restricted Net Position | 3,521,446 |
| | |
| Business-type Activities | |
| Restricted for | |
| Debt service | 200,924 |
| | |
| Total Restricted Net Position | $ 3,722,370 |

## NOTE 4: OTHER INFORMATION

**A. TAX INCREMENTAL FINANCING**

The City has established separate capital projects funds for six Tax Incremental City (TID) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the City was created, the property tax base within the City was "frozen" and increment taxes resulting from increases to the property tax base are used to finance City improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's City is still eligible to incur project costs.

Since creation of the TID's, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2017, the City can recover $12,204,001 from future excess tax increment revenues of the following. Furthermore, the intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Cities. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

| | TID No. 5 | TID No. 6 | TID No. 7 | TID No. 8 | TID No. 9 |
|---|---|---|---|---|---|
| Creation date | 8/27/1996 | 3/3/1998 | 10/7/2006 | 8/21/2007 | 8/7/2012 |
| Termination date | 8/27/2023 | 3/3/2021 | 10/7/2023 | 8/21/2037 | 8/7/2039 |
| Tax increment property tax revenues for 2017 | $ 921,139 | $ 1,905,735 | $ 80,986 | $ 430,897 | $ 73,316 |
| Net unreimbursed project costs due City | $ 3,246,838 | $ 660,993 | $ 3,615,865 | $ 2,222,922 | $ 746,717 |

| | TID No. 10 | TID No. 11 | TID No. 12 | TID No. 13 |
|---|---|---|---|---|
| Creation date | 8/7/2012 | 9/1/2015 | 9/1/2015 | 1/1/2015 |
| Termination date | 8/7/2032 | 9/1/2035 | 9/1/2035 | 12/31/2037 |
| Tax increment property tax revenues for 2017 | $ 124,947 | $ - | $ - | $ - |
| Net unreimbursed project costs due City | $ 816,833 | $ 1,169,997 | $ (632,626) | $ 155,463 |

**B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage

In addition to the above, the City has established separate internal service funds for the following risk management programs:

**Health Self-Insurance Fund**

City employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to City departments, employees and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2017, the fund had a balance of $511,743.

The claims liability of $171,090 reported in the fund at December 31, 2017 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

| | Liability January 1 | Current Year Claims and Changes in Estimates | Claims Payments | Liability December 31 |
|---|---|---|---|---|
| 2017 | $ 129,094 | $ 1,742,158 | $ 1,700,162 | $ 171,090 |
| 2016 | 108,190 | 2,163,855 | 2,142,951 | 129,094 |

**Dental Self-Insurance Fund**

City employees, retirees and employee dependents are eligible for dental benefits from a dental self-insurance fund. Funding is provided by charges to City departments, employees and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for dental claims, stop loss insurance premiums and administrative fees. On December 31, 2017, the fund had a balance of $3,903.

The claims liability of $4,387 reported in the fund at December 31, 2017, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

| | Liability January 1 | Current Year Claims and Changes in Estimates | Claims Payments | Liability December 31 |
|---|---|---|---|---|
| 2017 | $ 2,787 | $ 147,331 | $ 145,731 | $ 4,387 |
| 2016 | 2,102 | 142,465 | 141,780 | 2,787 |

**C. CONTINGENCIES**

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

**D. WATER PURCHASE CONTRACT WITH CENTRAL BROWN COUNTY WATER AUTHORITY**

The City of De Pere is a Charter member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc. In 2007 the Authority completed construction of a 30 mile water transmission main from the City of Manitowoc and a 35 mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued $136,625,000 of revenue bonds in June of 2005.

Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bond and (3) required Security Fund deposits. During 2016 the City paid the Authority $3,777,433 in accordance with the water purchase contract.

**E. UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

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# REQUIRED SUPPLEMENTARY INFORMATION

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# City of De Pere, Wisconsin

## SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
## LAST 10 FISCAL YEARS *

| | 2017 |
|---|---|
| Total OPEB liability | |
| Service cost | $ 22,795 |
| Interest | 12,862 |
| Changes of assumptions | (5,254) |
| Benefit payments | (14,784) |
| Net change in total OPEB liability | 15,619 |
| Total OPEB liability - beginning | 368,742 |
| Total OPEB liability - ending | $ 384,361 |
| Covered-employee payroll | $ 7,447,066 |
| District's total OPEB liability as a percentage of covered-employee payroll | 5.16% |

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

*See notes to required supplementary information.*

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# City of De Pere, Wisconsin

## SCHEDULE OF EMPLOYER CONTRIBUTIONS
## OTHER POSTEMPLOYMENT BENEFIT PLAN
## LAST 10 FISCAL YEARS *

| | 2017 |
|---|---|
| Actuarially determined contribution (ADC) | $ - |
| Contributions in relation to the ADC | 14,784 |
| Contribution deficiency (excess) | (14,784) |
| Covered-employee payroll | $ 7,447,066 |
| Contributions as a percentage of covered-employee payroll | 0.20% |

| Key Methods and Assumption Used to Calculate ADC | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Amortization method | 21 year Level Dollar |
| Discount rate | 3.50% |
| Inflation | 2.50% |

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

*See notes to required supplementary information.*

# City of De Pere, Wisconsin

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
## WISCONSIN RETIREMENT SYSTEM
## LAST 10 FISCAL YEARS

| Fiscal Year Ending | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Covered-Employee Payroll (plan year) | Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) |
|---|---|---|---|---|---|
| 12/31/15 | 0.00866409% | $ (2,128,138) | $ 9,073,681 | 23.45% | 102.74% |
| 12/31/16 | 0.00872191% | 1,417,293 | 9,424,305 | 15.04% | 98.20% |
| 12/31/17 | 0.00885151% | 729,575 | 9,577,125 | 7.62% | 99.12% |

## SCHEDULE OF CONTRIBUTIONS
## WISCONSIN RETIREMENT SYSTEM
## LAST 10 FISCAL YEARS

| Fiscal Year Ending | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Covered-Employee Payroll (fiscal year) | Contributions as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|
| 12/31/15 | $ 853,538 | $ 853,538 | $ - | $ 9,424,305 | 9.06% |
| 12/31/16 | 862,667 | 862,667 | - | 9,577,125 | 9.01% |
| 12/31/17 | 947,840 | 947,840 | - | 9,670,369 | 9.80% |

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There were no changes of benefit terms or assumptions for any participating employer in the WRS.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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# SUPPLEMENTARY INFORMATION

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# City of De Pere, Wisconsin

**GENERAL FUND**
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Budget | | | Variance Final Budget - Positive | 2016 |
|---|---|---|---|---|---|
| | Original | Final | Actual | (Negative) | Actual |
| Taxes | | | | | |
| General property | $ 8,040,775 | $ 8,040,775 | $ 8,039,833 | $ (942) | $ 7,971,828 |
| Mobile home | 6,500 | 6,500 | 5,738 | (762) | 5,562 |
| Excess stadium district sales tax | 120 | 120 | 36,513 | 36,393 | 38,218 |
| Room tax | 7,800 | 7,800 | 9,319 | 1,519 | 8,613 |
| Payments in lieu of taxes | 1,300 | 1,300 | 1,332 | 32 | 1,295 |
| Housing authority | 30,000 | 30,000 | 28,919 | (1,081) | 29,396 |
| Interest and penalties | | | | | |
| Taxes | 1,200 | 1,200 | 876 | (324) | 1,693 |
| Special assessments | 35,000 | 35,000 | 20,222 | (14,778) | 32,136 |
| Total taxes | 8,122,695 | 8,122,695 | 8,142,752 | 20,057 | 8,088,741 |
| Intergovernmental | | | | | |
| Law enforcement training | 5,440 | 5,440 | 26,670 | 21,230 | 8,000 |
| State shared taxes | 1,242,108 | 1,242,108 | 1,280,663 | 38,555 | 1,413,871 |
| Exempt computer aid | 154,361 | 154,361 | 74,911 | (79,450) | 122,645 |
| Fire insurance | 79,990 | 79,990 | 85,434 | 5,444 | 79,990 |
| Rescue squad | 7,000 | 7,000 | 7,193 | 193 | - |
| Transportation | 949,884 | 949,884 | 900,374 | (49,510) | 936,629 |
| Mass transit | 294,790 | 294,790 | 294,790 | - | 294,790 |
| Public health | 56,700 | 56,700 | 62,523 | 5,823 | 53,118 |
| Recycling | 92,993 | 92,993 | 97,510 | 4,517 | 92,993 |
| Other | 3,600 | 3,600 | - | (3,600) | - |
| Total intergovernmental | 2,886,866 | 2,886,866 | 2,830,068 | (56,798) | 3,002,036 |
| Licenses and permits | | | | | |
| Licenses | | | | | |
| Liquor and malt beverage | 34,175 | 34,175 | 35,642 | 1,467 | 32,309 |
| Operators | 15,540 | 15,540 | 12,201 | (3,339) | 31,838 |
| Cigarette | 2,100 | 2,100 | 2,104 | 4 | 2,100 |
| Food and beverage | - | - | 66,987 | 66,987 | 64,865 |
| DATCP licensing | 73,000 | 73,000 | 11,790 | (61,210) | 14,282 |
| Cable television | 163,000 | 163,000 | 138,564 | (24,436) | 155,446 |
| Trailer park | 100 | 100 | 100 | - | 100 |
| Dog | 5,200 | 5,200 | 3,524 | (1,676) | 4,238 |
| Other licenses/permits | 8,400 | 8,400 | 10,523 | 2,123 | 11,518 |
| Permits | | | | | |
| Electrical and plumbing | 103,950 | 103,950 | 145,511 | 41,561 | 145,958 |
| Sanitary sewer | 5,250 | 5,250 | 5,850 | 600 | 6,555 |
| Zoning | 156,050 | 156,050 | 188,173 | 32,123 | 226,298 |
| Total licenses and permits | 566,765 | 566,765 | 620,969 | 54,204 | 695,507 |

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# City of De Pere, Wisconsin

**GENERAL FUND**
**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Budget Original | Budget Final | Actual | Variance Final Budget - Positive (Negative) | 2016 Actual |
|---|---|---|---|---|---|
| Fines and forfeits | | | | | |
| Court forfeitures and costs | 282,000 | 282,000 | 222,292 | (59,708) | 158,534 |
| Parking violations | 45,000 | 45,000 | 46,129 | 1,129 | 36,692 |
| Total fines and forfeits | 327,000 | 327,000 | 268,421 | (58,579) | 195,226 |
| Public charges for services | | | | | |
| General government | 46,500 | 46,500 | 33,230 | (13,270) | 31,729 |
| Police | 3,750 | 3,750 | 3,333 | (417) | 2,838 |
| Alarm monitoring fees | 10,000 | 10,000 | 8,900 | (1,100) | 8,475 |
| Ambulance | 900,000 | 900,000 | 629,820 | (270,180) | 698,330 |
| Streets | 80,000 | 80,000 | 125,001 | 45,001 | 93,231 |
| Snow removal | 6,600 | 6,600 | 2,943 | (3,657) | 4,009 |
| Weed cutting | 600 | 600 | 3,115 | 2,515 | 10,386 |
| Recycling | 13,100 | 13,100 | 4,725 | (8,375) | 3,325 |
| Public health | 8,000 | 8,000 | 5,774 | (2,226) | 3,843 |
| Community center | 38,955 | 38,955 | 34,810 | (4,145) | 278,987 |
| Swimming pools | 120,798 | 120,798 | 119,867 | (931) | 126,691 |
| Parks | 10,115 | 10,115 | 10,977 | 862 | 9,994 |
| Recreation | 350,523 | 350,523 | 437,739 | 87,216 | 157,926 |
| Concession sales | 22,942 | 22,942 | 18,413 | (4,529) | 21,575 |
| Total public charges for services | 1,611,883 | 1,611,883 | 1,438,647 | (173,236) | 1,451,339 |
| Intergovernmental charges for services | | | | | |
| General government | 169,700 | 169,700 | 179,765 | 10,065 | 177,684 |
| Public safety | 351,500 | 351,500 | 353,013 | 1,513 | 340,211 |
| Public works | 727,200 | 727,200 | 727,192 | (8) | 726,400 |
| Total intergovernmental charges for services | 1,248,400 | 1,248,400 | 1,259,970 | 11,570 | 1,244,295 |
| Miscellaneous | | | | | |
| Investment income | 120,000 | 120,000 | 68,397 | (51,603) | 71,899 |
| Donations | - | - | 37,635 | 37,635 | 14,908 |
| Sale of City property | 66,500 | 66,500 | 5,466 | (61,034) | 44,964 |
| Salvage products | - | - | 1,616 | 1,616 | 134,032 |
| Rental income | 103,190 | 103,190 | 53,578 | (49,612) | 78,654 |
| Department revenue | 20,000 | 20,000 | 20,137 | 137 | 23,397 |
| Other | 550 | 550 | 86 | (464) | - |
| Total miscellaneous | 310,240 | 310,240 | 186,915 | (123,325) | 367,854 |
| **Total Revenues** | $15,073,849 | $15,073,849 | $14,747,742 | $ (326,107) | $15,044,998 |

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# City of De Pere, Wisconsin

**GENERAL FUND**
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Budget | | | Variance Final Budget - Positive | 2016 |
|---|---|---|---|---|---|
| | Original | Final | Actual | (Negative) | Actual |
| General government | | | | | |
| Council | $ 76,720 | $ 76,720 | $ 75,082 | $ 1,638 | $ 79,863 |
| Council outlay | 3,000 | 3,000 | 3,648 | (648) | 4,200 |
| Municipal court | 102,469 | 102,469 | 101,024 | 1,445 | 101,183 |
| Municipal court outlay | - | - | - | - | 944 |
| Mayor | 38,577 | 38,577 | 37,992 | 585 | 36,775 |
| Administrator | 125,571 | 118,578 | 117,881 | 697 | 118,251 |
| Administrator outlay | - | - | - | - | 1,503 |
| Clerk/treasurer | 214,463 | 214,463 | 219,830 | (5,367) | 232,940 |
| Elections | 19,424 | 19,424 | 16,406 | 3,018 | 51,451 |
| Assessment of property | 38,043 | 38,042 | 37,522 | 520 | 77,166 |
| Accounting and finance | 116,767 | 116,767 | 115,523 | 1,244 | 129,129 |
| Data processing | 135,275 | 114,738 | 113,102 | 1,636 | 96,229 |
| Data processing outlay | - | - | - | - | 4,009 |
| Personnel and insurance | 286,236 | 286,236 | 259,909 | 26,327 | 256,789 |
| Legal | 186,220 | 186,220 | 175,080 | 11,140 | 170,292 |
| Legal outlay | 750 | 750 | 451 | 299 | - |
| City hall | 106,864 | 106,864 | 109,682 | (2,818) | 102,174 |
| City hall outlay | 10,000 | 10,000 | 25,788 | (15,788) | 2,572 |
| Other general government | 282,405 | 282,405 | 224,008 | 58,397 | 233,070 |
| Total general government | 1,742,784 | 1,715,253 | 1,632,928 | 82,325 | 1,698,540 |
| Public safety | | | | | |
| Police department | 4,839,114 | 4,829,034 | 4,541,207 | 287,827 | 4,412,615 |
| Police department outlay | 58,000 | 58,000 | 60,385 | (2,385) | 243,954 |
| Traffic control | 96,610 | 96,610 | 83,413 | 13,197 | 82,086 |
| Fire/ambulance department | 3,815,089 | 3,793,104 | 3,674,819 | 118,285 | 3,626,092 |
| Fire/ambulance department outlay | 60,000 | 25,000 | 50,547 | (25,547) | 133,734 |
| Building and electrical | 286,077 | 286,077 | 288,352 | (2,275) | 279,532 |
| Building and electrical outlay | 500 | 500 | 383 | 117 | 2,993 |
| Jail | 9,000 | 9,000 | 8,260 | 740 | 10,876 |
| Total public safety | 9,164,390 | 9,097,325 | 8,707,366 | 389,959 | 8,791,882 |
| Public works | | | | | |
| Street machinery repair | 204,674 | 204,674 | 143,947 | 60,727 | 124,708 |
| Street machinery repair outlay | 26,950 | 26,950 | 22,513 | 4,437 | 16,314 |
| Municipal service center | 81,836 | 81,836 | 114,168 | (32,332) | 101,412 |
| Municipal service center outlay | 11,520 | 11,520 | 4,990 | 6,530 | 33,782 |
| Mechanics | 126,967 | 126,967 | 127,211 | (244) | 122,401 |
| Mechanics outlay | - | - | - | - | 196 |
| Administration | 166,963 | 166,963 | 183,535 | (16,572) | 170,857 |
| Administration outlay | 1,000 | - | - | - | - |
| Engineer | 285,095 | 285,095 | 268,510 | 16,585 | 280,570 |
| Engineer outlay | 4,800 | 4,000 | 4,052 | (52) | 4,661 |
| Street maintenance | 116,730 | 116,730 | 116,248 | 482 | 93,312 |

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# City of De Pere, Wisconsin

**GENERAL FUND**
**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Budget | | | Variance Final Budget - Positive | 2016 |
|---|---|---|---|---|---|
| | Original | Final | Actual | (Negative) | Actual |
| Public works | | | | | |
| Street maintenance outlay | - | - | - | - | 1,000 |
| Brush pickup | 92,318 | 92,318 | 91,231 | 1,087 | 113,668 |
| Weed cutting | 8,878 | 8,878 | 11,914 | (3,036) | 10,191 |
| Snow and ice control | 282,503 | 282,503 | 224,122 | 58,381 | 224,339 |
| Traffic signs and markings | 146,102 | 146,102 | 113,663 | 32,439 | 121,847 |
| Traffic signs and markings outlay | 15,000 | 15,000 | 7,382 | 7,618 | - |
| Traffic lights | 42,862 | 42,862 | 45,301 | (2,439) | 44,369 |
| Traffic lights outlay | 10,500 | 10,500 | 9,736 | 764 | 1,985 |
| Street lighting | 433,034 | 433,034 | 408,619 | 24,415 | 404,120 |
| Transit systems | 436,943 | 436,943 | 395,186 | 41,757 | 401,156 |
| Total public works | 2,494,675 | 2,492,875 | 2,292,328 | 200,547 | 2,270,888 |
| Sanitation | | | | | |
| Garbage and refuse collection | 278,517 | 278,517 | 319,968 | (41,451) | 290,837 |
| Landfill waste disposal | 250,000 | 250,000 | 267,997 | (17,997) | 286,041 |
| Recycling | 98,410 | 98,410 | 76,164 | 22,246 | 91,121 |
| Total sanitation | 626,927 | 626,927 | 664,129 | (37,202) | 667,999 |
| Health and human services | | | | | |
| Nurse | 511,111 | 511,111 | 485,054 | 26,057 | 460,219 |
| Board of health | 1,922 | 1,922 | 1,550 | 372 | 1,720 |
| Total health and human services | 513,033 | 513,033 | 486,604 | 26,429 | 461,939 |
| Culture and recreation | | | | | |
| Community center | 316,919 | 316,919 | 325,820 | (8,901) | 582,640 |
| Community center outlay | 24,800 | 15,800 | 8,183 | 7,617 | 57,114 |
| Special events and celebrations | 11,878 | 11,878 | - | 11,878 | 251 |
| Park and recreation administration | 224,076 | 224,076 | 265,396 | (41,320) | 234,615 |
| Recreation | 539,767 | 539,767 | 424,584 | 115,183 | 237,827 |
| Swimming pools | 281,626 | 281,626 | 252,065 | 29,561 | 258,675 |
| Swimming pools outlay | 1,000 | - | 51,507 | (51,507) | 26,662 |
| Parks - general | 426,184 | 422,584 | 482,988 | (60,404) | 425,840 |
| Parks outlay | 73,600 | 72,600 | 195,782 | (123,182) | 19,892 |
| Parks equipment maintenance | 65,173 | 65,173 | 93,021 | (27,848) | 96,630 |
| Parks equipment outlay | 20,800 | 20,800 | 12,639 | 8,161 | 16,700 |
| Boat ramps | 20,778 | 20,778 | 19,617 | 1,161 | 20,812 |
| Boat ramps outlay | 21,540 | 7,040 | - | 7,040 | - |
| Forestry | 204,594 | 204,594 | 185,820 | 18,774 | 194,518 |
| Forestry outlay | - | - | - | - | 123,808 |
| Historical society | 13,310 | 10,110 | 25,942 | (15,832) | 12,976 |
| Total culture and recreation | 2,246,045 | 2,213,745 | 2,343,364 | (129,619) | 2,308,960 |
| Conservation and development | | | | | |
| Economic development | 298,091 | 278,091 | 265,210 | 12,881 | 260,743 |
| **Total Expenditures** | $ 17,085,945 | $ 16,937,249 | $ 16,391,929 | $ 545,320 | $ 16,460,951 |

# City of De Pere, Wisconsin

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**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Special Revenue | | | | | |
|---|---|---|---|---|---|---|
| | Development Loan Program | Public Land Acquisition | Riverwalk Pier | Cable Access | Dog Park | Southwest Park Equipment |
| **ASSETS** | | | | | | |
| Cash and investments | $ 53,673 | $ 69,642 | $ 1,172 | $ - | $ 9,040 | $ 26,767 |
| Restricted cash and investments | 807,400 | - | - | - | - | - |
| Receivables | | | | | | |
| Taxes and special charges | - | - | - | - | - | - |
| Accounts | - | - | - | 23,026 | - | - |
| Loans | 526,866 | - | - | - | - | - |
| Total assets | $ 1,387,939 | $ 69,642 | $ 1,172 | $ 23,026 | $ 9,040 | $ 26,767 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | $ - | $ 750 | $ - | $ 3,056 | $ - | $ - |
| Accrued and other current liabilities | - | - | - | 1,298 | - | - |
| Due to other funds | - | - | - | 185,789 | - | - |
| Total liabilities | - | 750 | - | 190,143 | - | - |
| Deferred inflows of resources | | | | | | |
| Property taxes levied for subsequent year | - | - | - | - | - | - |
| Loans receivable | 526,866 | - | - | - | - | - |
| Total deferred inflows of resources | 526,866 | - | - | - | - | - |
| Fund balances | | | | | | |
| Restricted | 861,073 | 68,892 | - | - | - | - |
| Committed | - | - | 1,172 | - | 9,040 | 26,767 |
| Unassigned | - | - | - | (167,117) | - | - |
| Total fund balances | 861,073 | 68,892 | 1,172 | (167,117) | 9,040 | 26,767 |
| Total liabilities, deferred inflows of resources and fund balances | $ 1,387,939 | $ 69,642 | $ 1,172 | $ 23,026 | $ 9,040 | $ 26,767 |

# City of De Pere, Wisconsin

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**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Capital Projects | | | | | |
|---|---|---|---|---|---|---|
| | Capital Equipment | Community Center | Police/Fire Expansion | TID No. 5 | TID No. 7 | TID No. 8 |
| **ASSETS** | | | | | | |
| Cash and investments | $ 195,254 | $ 5,571 | $ 2,932 | $ 484,436 | $ - | $ 490,772 |
| Restricted cash and investments | - | - | - | - | - | - |
| Receivables | | | | | | |
| Taxes and special charges | 800,000 | - | - | 595,688 | 19,883 | 194,403 |
| Accounts | - | - | - | - | - | 177,040 |
| Loans | - | - | - | - | - | - |
| Total assets | $ 995,254 | $ 5,571 | $ 2,932 | $ 1,080,124 | $ 19,883 | $ 862,215 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | $ 101,726 | $ 50 | $ - | $ 154 | $ 154 | $ 154 |
| Accrued and other current liabilities | - | - | - | 122 | 122 | 121 |
| Due to other funds | - | - | - | - | 227,325 | - |
| Total liabilities | 101,726 | 50 | - | 276 | 227,601 | 275 |
| Deferred inflows of resources | | | | | | |
| Property taxes levied for subsequent year | 800,000 | - | - | 595,688 | 19,883 | 194,403 |
| Loans receivable | - | - | - | - | - | - |
| Total deferred inflows of resources | 800,000 | - | - | 595,688 | 19,883 | 194,403 |
| Fund balances | | | | | | |
| Restricted | - | - | - | 484,160 | - | 667,537 |
| Committed | 93,528 | 5,521 | 2,932 | - | - | - |
| Unassigned | - | - | - | - | (227,601) | - |
| Total fund balances | 93,528 | 5,521 | 2,932 | 484,160 | (227,601) | 667,537 |
| Total liabilities, deferred inflows of resources and fund balances | $ 995,254 | $ 5,571 | $ 2,932 | $ 1,080,124 | $ 19,883 | $ 862,215 |

# City of De Pere, Wisconsin

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## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## DECEMBER 31, 2017
## WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

| | Capital Projects | | | | | Totals | |
|---|---|---|---|---|---|---|---|
| | TID No. 9 | TID No. 10 | TID No. 11 | TID No. 12 | TID No. 13 | 2017 | 2016 |
| **ASSETS** | | | | | | | |
| Cash and investments | $ - | $ - | $ - | $ 632,931 | $ - | $ 1,972,190 | $ 2,229,736 |
| Restricted cash and investments | - | - | - | - | - | 807,400 | 1,044,106 |
| Receivables | | | | | | | |
| Taxes and special charges | 22,210 | 206,690 | 11,729 | 499 | - | 1,851,102 | 2,495,521 |
| Accounts | - | - | - | - | - | 200,066 | 25,225 |
| Loans | - | - | - | - | - | 526,866 | 280,086 |
| Total assets | $ 22,210 | $ 206,690 | $ 11,729 | $ 633,430 | $ - | $ 5,357,624 | $ 6,074,674 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | $ 154 | $ 259 | $ 154 | $ 184 | $ - | $ 106,795 | $ 52,596 |
| Accrued and other current liabilities | 122 | 121 | 122 | 121 | - | 2,149 | 1,005 |
| Due to other funds | 325,250 | 66,117 | 1,169,721 | - | 155,463 | 2,129,665 | 425,924 |
| Total liabilities | 325,526 | 66,497 | 1,169,997 | 305 | 155,463 | 2,238,609 | 479,525 |
| Deferred inflows of resources | | | | | | | |
| Property taxes levied for subsequent year | 22,210 | 206,690 | 11,729 | 499 | - | 1,851,102 | 2,495,521 |
| Loans receivable | - | - | - | - | - | 526,866 | 280,086 |
| Total deferred inflows of resources | 22,210 | 206,690 | 11,729 | 499 | - | 2,377,968 | 2,775,607 |
| Fund balances | | | | | | | |
| Restricted | - | - | - | 632,626 | - | 2,714,288 | 3,081,257 |
| Committed | - | - | - | - | - | 138,960 | 137,663 |
| Unassigned | (325,526) | (66,497) | (1,169,997) | - | (155,463) | (2,112,201) | (399,378) |
| Total fund balances | (325,526) | (66,497) | (1,169,997) | 632,626 | (155,463) | 741,047 | 2,819,542 |
| Total liabilities, deferred inflows of resources and fund balances | $ 22,210 | $ 206,690 | $ 11,729 | $ 633,430 | $ - | $ 5,357,624 | $ 6,074,674 |

# City of De Pere, Wisconsin

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Special Revenue | | | | | |
|---|---|---|---|---|---|---|
| | Development Loan Program | Public Land Acquisition | Riverwalk Pier | Cable Access | Dog Park | Southwest Park Equipment |
| **REVENUES** | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 92,376 | - | - |
| Public charges for services | - | 4,200 | - | - | - | - |
| Miscellaneous | 134,118 | - | 2,000 | 795 | 3,286 | 47,767 |
| Total revenues | 134,118 | 4,200 | 2,000 | 93,171 | 3,286 | 47,767 |
| **EXPENDITURES** | | | | | | |
| Current | | | | | | |
| Culture and recreation | - | - | - | 127,845 | - | - |
| Conservation and development | 370,540 | - | 498 | 5,193 | - | - |
| Debt service | | | | | | |
| Interest and fiscal charges | - | - | - | - | - | - |
| Capital outlay | - | 26,645 | - | - | - | 21,000 |
| Total expenditures | 370,540 | 26,645 | 498 | 133,038 | - | 21,000 |
| Excess of revenues over (under) expenditures | (236,422) | (22,445) | 1,502 | (39,867) | 3,286 | 26,767 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Long-term debt issued | - | - | - | - | - | - |
| Premium on debt issued | - | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | (32,000) | - | - | - |
| Total other financing sources (uses) | - | - | (32,000) | - | - | - |
| **Net change in fund balances** | (236,422) | (22,445) | (30,498) | (39,867) | 3,286 | 26,767 |
| **Fund balances - January 1** | 1,097,495 | 91,337 | 31,670 | (127,250) | 5,754 | - |
| **Fund balances - December 31** | $ 861,073 | $ 68,892 | $ 1,172 | $ (167,117) | $ 9,040 | $ 26,767 |

# City of De Pere, Wisconsin

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Capital Projects | | | | | |
|---|---|---|---|---|---|---|
| | Capital Equipment | Community Center | Police/Fire Expansion | TID No. 5 | TID No. 7 | TID No. 8 |
| **REVENUES** | | | | | | |
| Taxes | $ 800,000 | $ - | $ - | $ 921,139 | $ 80,986 | $ 430,897 |
| Intergovernmental | - | - | - | 7,606 | 2,488 | 220,659 |
| Licenses and permits | - | - | - | - | - | - |
| Public charges for services | - | - | - | - | - | - |
| Miscellaneous | - | 1,931 | - | - | - | - |
| Total revenues | 800,000 | 1,931 | - | 928,745 | 83,474 | 651,556 |
| **EXPENDITURES** | | | | | | |
| Current | | | | | | |
| Culture and recreation | - | - | - | - | - | - |
| Conservation and development | - | - | - | 19,831 | 9,900 | 9,897 |
| Debt service | | | | | | |
| Interest and fiscal charges | - | - | - | - | 25,671 | 479 |
| Capital outlay | - | 189 | - | 16,166 | 375,181 | 105,150 |
| Total expenditures | - | 189 | - | 35,997 | 410,752 | 115,526 |
| Excess of revenues over (under) expenditures | 800,000 | 1,742 | - | 892,748 | (327,278) | 536,030 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Long-term debt issued | - | - | - | - | - | - |
| Premium on debt issued | - | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 201,000 |
| Transfers out | (800,000) | - | - | (574,833) | (678,094) | (354,011) |
| Total other financing sources (uses) | (800,000) | - | - | (574,833) | (678,094) | (153,011) |
| **Net change in fund balances** | - | 1,742 | - | 317,915 | (1,005,372) | 383,019 |
| **Fund balances - January 1** | 93,528 | 3,779 | 2,932 | 166,245 | 777,771 | 284,518 |
| **Fund balances - December 31** | $ 93,528 | $ 5,521 | $ 2,932 | $ 484,160 | $ (227,601) | $ 667,537 |

# City of De Pere, Wisconsin

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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Capital Projects | | | | | Totals | |
|---|---|---|---|---|---|---|---|
| | TID No. 9 | TID No. 10 | TID No. 11 | TID No. 12 | TID No. 13 | 2017 | 2016 |
| **REVENUES** | | | | | | | |
| Taxes | $ 73,316 | $ 124,947 | $ - | $ - | $ - | $ 2,431,285 | $ 2,022,279 |
| Intergovernmental | 3,123 | 2,393 | - | - | - | 236,269 | 237,577 |
| Licenses and permits | - | - | - | - | - | 92,376 | 103,631 |
| Public charges for services | - | - | - | - | - | 4,200 | 10,870 |
| Miscellaneous | - | - | - | - | - | 189,897 | 128,568 |
| Total revenues | 76,439 | 127,340 | - | - | - | 2,954,027 | 2,502,925 |
| **EXPENDITURES** | | | | | | | |
| Current | | | | | | | |
| Culture and recreation | - | - | - | - | - | 127,845 | 151,586 |
| Conservation and development | 10,051 | 39,393 | 10,051 | 10,077 | 18,908 | 504,339 | 1,825,847 |
| Debt service | | | | | | | |
| Interest and fiscal charges | 118 | 129 | - | - | - | 26,397 | 29,465 |
| Capital outlay | 4,658 | - | 13,192 | - | 136,555 | 698,736 | 576,540 |
| Total expenditures | 14,827 | 39,522 | 23,243 | 10,077 | 155,463 | 1,357,317 | 2,583,438 |
| Excess of revenues over (under) expenditures | 61,612 | 87,818 | (23,243) | (10,077) | (155,463) | 1,596,710 | (80,513) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | |
| Long-term debt issued | - | - | - | - | - | - | 1,620,000 |
| Premium on debt issued | - | - | - | - | - | - | 27,265 |
| Proceeds from sale of capital assets | - | 1,900 | - | - | - | 1,900 | 658,210 |
| Transfers in | - | - | - | - | - | 201,000 | - |
| Transfers out | (130,360) | (177,403) | (1,131,404) | - | - | (3,878,105) | (2,519,968) |
| Total other financing sources (uses) | (130,360) | (175,503) | (1,131,404) | - | - | (3,675,205) | (214,493) |
| **Net change in fund balances** | (68,748) | (87,685) | (1,154,647) | (10,077) | (155,463) | (2,078,495) | (295,006) |
| **Fund balances - January 1** | (256,778) | 21,188 | (15,350) | 642,703 | - | 2,819,542 | 3,114,548 |
| **Fund balances - December 31** | $ (325,526) | $ (66,497) | $ (1,169,997) | $ 632,626 | $ (155,463) | $ 741,047 | $ 2,819,542 |

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# City of De Pere, Wisconsin

**COMBINING STATEMENT OF NET POSITION**
**INTERNAL SERVICE FUNDS**
**DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

| | Health Self Insurance | Dental Self Insurance | Totals 2017 | Totals 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash and investments | $ 700,654 | $ 18,290 | $ 718,944 | $ 434,369 |
| **LIABILITIES** | | | | |
| Current liabilities | | | | |
| Accounts and claims payable | 171,090 | 4,387 | 175,477 | 131,881 |
| Advance from other funds | 17,821 | 10,000 | 27,821 | 60,000 |
| Total liabilities | 188,911 | 14,387 | 203,298 | 191,881 |
| **NET POSITION** | | | | |
| Unrestricted | $ 511,743 | $ 3,903 | $ 515,646 | $ 242,488 |

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# City of De Pere, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**INTERNAL SERVICE FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Health Self Insurance | Dental Self Insurance | Totals 2017 | Totals 2016 |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Charges for services | $ 2,419,602 | $ 145,204 | $ 2,564,806 | $ 2,809,078 |
| **OPERATING EXPENSES** | | | | |
| Claims and administrative fees | 2,134,871 | 157,906 | 2,292,777 | 2,826,215 |
| **Operating income (loss)** | 284,731 | (12,702) | 272,029 | (17,137) |
| **NONOPERATING REVENUES** | | | | |
| Interest income | 1,129 | - | 1,129 | 553 |
| **Change in net position** | 285,860 | (12,702) | 273,158 | (16,584) |
| **Net position - January 1** | 225,883 | 16,605 | 242,488 | 259,072 |
| **Net position - December 31** | $ 511,743 | $ 3,903 | $ 515,646 | $ 242,488 |

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# City of De Pere, Wisconsin

**COMBINING STATEMENT OF CASH FLOWS**
**INTERNAL SERVICE FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

| | Health Self Insurance | Dental Self Insurance | Totals 2017 | Totals 2016 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from interfund services | $ 2,419,602 | $ 145,204 | $ 2,564,806 | $ 2,809,078 |
| Cash paid to suppliers | (2,092,875) | (156,306) | (2,249,181) | (2,804,626) |
| Net cash provided (used) by operating activities | 326,727 | (11,102) | 315,625 | 4,452 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Repayment of interfund advance | (32,179) | - | (32,179) | - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest received | 1,129 | - | 1,129 | 553 |
| **Change in cash and cash equivalents** | 295,677 | (11,102) | 284,575 | 5,005 |
| **Cash and cash equivalents - January 1** | 404,977 | 29,392 | 434,369 | 429,364 |
| **Cash and cash equivalents - December 31** | $ 700,654 | $ 18,290 | $ 718,944 | $ 434,369 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | | |
| Operating income (loss) | $ 284,731 | $ (12,702) | $ 272,029 | $ (17,137) |
| Change in operating assets and liabilities | | | | |
| Accounts and claims payable | 41,996 | 1,600 | 43,596 | 21,589 |
| Net cash provided (used) by operating activities | $ 326,727 | $ (11,102) | $ 315,625 | $ 4,452 |

Noncash capital and related financing activities
None

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# City of De Pere, Wisconsin

## SCHEDULE OF WATER UTILITY OPERATING REVENUES AND EXPENSES
## FOR THE YEAR ENDED DECEMBER 31, 2017
## WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

| | 2017 | 2016 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | | |
| Residential | $ 2,776,404 | $ 2,760,677 |
| Commercial | 959,557 | 958,852 |
| Industrial | 499,819 | 510,089 |
| Public authority | 179,627 | 186,991 |
| Private fire protection | 126,059 | 126,148 |
| Public fire protection | 1,273,190 | 1,268,511 |
| Total charges for services | 5,814,656 | 5,811,268 |
| Other revenues | | |
| Forfeited discounts | 44,840 | 88,511 |
| Other water revenues | 288,485 | 295,549 |
| Total other revenues | 333,325 | 384,060 |
| Total operating revenues | 6,147,981 | 6,195,328 |
| **OPERATING EXPENSES** | | |
| Operation and maintenance | | |
| Source of supply | 3,778,121 | 3,459,929 |
| Pumping | 108,118 | 64,508 |
| Water treatment | 41,154 | 36,240 |
| Transmission and distribution | 527,124 | 397,155 |
| Customer accounts | 226,032 | 210,255 |
| Administrative and general | 359,725 | 339,194 |
| Total operation and maintenance | 5,040,274 | 4,507,281 |
| Depreciation | 570,582 | 526,434 |
| Taxes | 38,924 | 38,820 |
| Total operating expenses | 5,649,780 | 5,072,535 |
| **Operating income** | $ 498,201 | $ 1,122,793 |

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# ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Schenck
ADVISORY | TAX | ASSURANCE

# Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* and the *Department of Health Services Audit Guide*

To the City Council
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Department of Health Services Audit Guide*, issued by the State of Wisconsin, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon, which included an emphasis of matter paragraph as indicated on page 1, dated __________, 2018.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2017-001 and 20017-002 that we consider to be significant deficiencies.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the *Department of Health Services Audit Guide.*

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### CITY OF DE PERE, WISCONSIN'S RESPONSE TO FINDINGS

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Department of Health Services Audit Guide* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants

Green Bay, Wisconsin
________, 2018

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# FEDERAL AND STATE AWARDS

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# City of De Pere, Wisconsin

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| Grantor Agency/Federal Program Title | CFDA Number | Pass-Through Agency |
|---|---|---|
| **U.S. DEPARTMENT OF JUSTICE** | | |
| Internet Crimes Against Children Task Force Program | 16.800 | WI Department of Justice |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | |
| Highway Safety Cluster | | |
| Alcohol Impaired Driving Countermeasures Incentive Grants | 20.601 | City of Green Bay |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | |
| Public Health Emergency Preparedness | 93.069 | WI Department of Health Services |
| Public Health Emergency Preparedness Aligned Cooperative Agreements | 93.074 | WI Department of Health Services |
| Immunization Cooperative Agreements | 93.268 | WI Department of Health Services |
| Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure | 93.733 | WI Department of Health Services |
| Preventive Health and Health Services Block Grant | 93.758 | WI Department of Health Services |
| Medical Assistance Program | 93.778 | WI Department of Health Services |
| Maternal and Child Health Services Block Grant to the States | 93.994 | WI Department of Health Services |
| Total U.S. Department of Health and Human Services | | |
| **TOTAL FEDERAL AWARDS** | | |

*The notes to the schedule of expenditures of federal awards are an integral part of this schedule.*

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| Pass-Through Entity Identifying Number | (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures | Subrecipient Payments |
|---|---|---|---|---|---|
| Unknown | $ - | $ 2,550 | $ - | $ 2,550 | $ - |
| Unknown | - | 5,120 | - | 5,120 | - |
| 155050 | - | 4,827 | 2,286 | 7,113 | - |
| 155015 | (6,841) | 20,113 | 12,550 | 25,822 | - |
| 155020 | - | 8,081 | - | 8,081 | - |
| 155032 | - | 2,245 | 297 | 2,542 | - |
| 159220 | - | 2,730 | 811 | 3,541 | - |
| 159320 | (272) | 789 | - | 517 | - |
| 159320 | (5,118) | 14,827 | - | 9,709 | - |
| | (12,231) | 53,612 | 15,944 | 57,325 | - |
| | $ (12,231) | $ 61,282 | $ 15,944 | $ 64,995 | $ - |

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# City of De Pere, Wisconsin

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| Grantor Agency/State Program Title | State I.D. Number | Pass-Through Agency | Pass-Through Entity Identifying Number |
|---|---|---|---|
| **DEPARTMENT OF NATURAL RESOURCES** | | | |
| Recycling Grant | 370.670 | Direct Program | Unknown |
| **DEPARTMENT OF HEALTH SERVICES** | | | |
| Immunization - Adult | 435.155032 | Direct Program | 155032 |
| Consolidated Contracts - Childhood Lead | 435.157720 | Direct Program | 157720 |
| Consolidated Contracts - Maternal Child Health | 435.159320 | Direct Program | 159320 |
| Total Department of Health Services | | | |
| **TOTAL STATE PROGRAMS** | | | |

*The notes to the schedule of of expenditures of state awards are an integral part of this schedule.*

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| (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures | Subrecipient Payments |
|---|---|---|---|---|
| $ - | $ 97,510 | $ - | $ 97,510 | $ - |
| (35) | 35 | - | - | - |
| - | 1,212 | 512 | 1,724 | - |
| (272) | 789 | - | 517 | - |
| (307) | 2,036 | 512 | 2,241 | - |
| $ (307) | $ 99,546 | $ 512 | $ 99,751 | $ - |

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# City of De Pere, Wisconsin

## NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
## FOR THE YEAR ENDED DECEMBER 31, 2017

### NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards include the federal and state grant activity of the City of De Pere, Wisconsin and are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Department of Health Services Audit Guide.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### NOTE 2: STATE OF WISCONSIN REPORTING SYSTEMS

The Wisconsin Department of Health Services (DHS) utilize the Community Aids Reporting System (CARS) for reimbursing the City for various federal and state program expenditures. The expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance for various DHS programs agree with the expenditures reported on the December, 2017 CARS.

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# City of De Pere, Wisconsin

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE YEAR ENDED DECEMBER 31, 2017

### SECTION 1 - SUMMARY OF AUDITORS' RESULTS

**BASIC FINANCIAL STATEMENTS**

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | Yes |
| Noncompliance material to basic financial statements noted? | No |

### SECTION II - FINANCIAL STATEMENT FINDINGS

| FINDING NO. | INTERNAL CONTROL DEFICIENCIES |
|---|---|
| **2017-001** | **Preparation of Annual Financial Report**<br>Repeat of Finding 2016-001 |
| Condition: | Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. |
| Criteria: | The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes. |
| Cause: | City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits. |
| Effect: | Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. |
| Recommendation: | We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report. |
| Management Response: | Management agrees it may not be cost effective to train additional staff to completely prepare the report, but will more thoroughly review the information to gain an increased understanding in hopes of assisting with the annual report preparation in 2018. |

# City of De Pere, Wisconsin

DRAFT

**SCHEDULE OF FINDINGS AND RESPONSES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| Finding No. | Internal Control Deficiencies |
|---|---|
| **2017-002** | **Adjustments to the City's Financial Records**<br>Repeat of Finding 2016-002 |
| Condition: | As part of our 2017 audit, we proposed adjusting journal entries that were material to the City's financial statements. |
| Criteria: | Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency. |
| Cause: | While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop. |
| Effect: | Year-end financial records prepared by the City may contain material misstatements. |
| Recommendation: | We recommend the City Finance Director work to prepare the adjusting and closing entries necessary, prior to the audit, to reduce the risk of material misstatement to the financial statements. |
| Management Response: | The City intends to utilize Schenck to work with the City Administrator to complete quarterly reviews to benchmark the status of implementation of the recommendation. |

DRAFT

# City of De Pere, Wisconsin

**SCHEDULE OF SETTLEMENT OF DHS COST REIMBURSEMENT AWARD**
**PUBLIC HEALTH DEPARTMENT**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | | | |
|---|---|---|---|---|
| DHS identification number | 155015 | 155032 | 155020 | 155050 |
| Grant Award | $ 34,450 | $ 2,624 | $ 8,081 | $ 4,827 |
| Award period | 7/1/16 - 6/30/17 | 5/1/16 - 6/30/17 | 1/1/17 - 12/31/17 | 7/1/16 - 6/30/17 |
| Period of award within audit period | 1/1/17 - 6/30/17 | 1/1/17 - 6/30/17 | 1/1/17 - 12/31/17 | 1/1/17 - 6/30/17 |
| Expenditures reported to DHS for payment | $ 20,347 | $ 2,232 | $ 9,298 | $ 4,827 |
| Contract Year | 760 | 760 | 760 | 760 |
| Actual allowable costs of award | | | | |
| Program expenses | | | | |
| Compensation of current officers, directors, trustees, and key employees | $ 4,951 | $ 1,337 | $ 4,118 | $ - |
| Pension plan contributions | 337 | 91 | 282 | - |
| Other employee benefits | 719 | 798 | 2,126 | - |
| Other costs | 14,340 | 6 | 2,772 | 4,827 |
| Total program expenses | 20,347 | 2,232 | 9,298 | 4,827 |
| Less program revenue and other offsets to costs | - | - | - | - |
| Total allowable costs | $ 20,347 | $ 2,232 | $ 9,298 | $ 4,827 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| 157720 | 159220 | 159320 | 155015 | 155032 | 155050 | 159220 |
| $ 1,724 | $ 4,345 | $ 10,742 | $ 31,650 | $ 297 | $ 2,283 | $ 4,326 |
| 1/1/17 - 12/31/17 | 10/1/15 - 8/31/17 | 1/1/17 - 12/31/17 | 7/1/17 - 6/30/18 | 7/1/17 - 6/30/18 | 7/1/17 - 6/30/18 | 10/1/16 - 8/31/18 |
| 1/1/17 - 12/31/17 | 1/1/17 - 8/31/17 | 1/1/17 - 12/31/17 | 7/1/17 - 12/31/17 | 7/1/17 - 12/31/17 | 7/1/17 - 12/31/17 | 1/1/17 - 12/31/17 |
| $ 1,862 | $ 2,730 | $ 16,481 | $ 16,347 | $ 994 | $ 2,283 | $ 1,116 |
| 760 | 760 | 760 | 860 | 860 | 860 | 860 |
| $ 781 | $ 1,044 | $ 7,098 | $ 4,522 | $ 606 | $ - | $ 538 |
| 54 | 71 | 504 | 307 | 46 | - | 36 |
| 405 | 414 | 4,415 | 2,272 | 336 | - | 316 |
| 622 | 1,201 | 4,464 | 9,246 | 6 | 2,283 | 226 |
| 1,862 | 2,730 | 16,481 | 16,347 | 994 | 2,283 | 1,116 |
| - | - | - | - | - | - | - |
| $ 1,862 | $ 2,730 | $ 16,481 | $ 16,347 | $ 994 | $ 2,283 | $ 1,116 |

# City of De Pere, Wisconsin

## Request For Finance/Personnel Committee Action

**MEETING DATE:** **July 10, 2018**

**DEPARTMENT:** **City Clerk-Treasurer**

**FROM:** **Shana Ledvina**

**SUBJECT:** **Consideration of Request of Virginia Huempfner for Deferment of Sidewalk Repair Assessments ***

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**ATTACHMENTS:**

- Mayor & F-P _Sidewalk Repair Defer-V Huempfner 7-2018 (DOCX)

**MEMORANDUM**

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| | |
|---|---|
| TO: | Mayor Michael J. Walsh<br>Finance/Personnel Committee Members |
| FROM: | Judith Schmidt-Lehman, City Attorney |
| DATE: | July 10, 2018 (meeting date) |
| RE: | Request for Deferral of Sidewalk Repair Expenses |

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As you are aware, the Common Council amended the deferral of special assessments under Section 13-10 De Pere Municipal Code (DPMC) to include sidewalk repair expenses.

The City received an application for deferral of expenses from Virginia Huempfner, who recently received an Order of the Board of Public Works to repair sidewalk adjacent to her property. Under Section 13-10 DPMC, the financial information of the requestor must remain confidential. Therefore, this item is scheduled to be discussed in closed session at the Committee meeting. Any action taken on the request would then be reported out in open session.

If you have any questions or concerns, please let me know.

JSL

**City of De Pere, Wisconsin**

**Request For Finance/Personnel Committee Action**

| | |
|---|---|
| **MEETING DATE:** | **July 10, 2018** |
| **DEPARTMENT:** | **City Attorney** |
| **FROM:** | **Judith Schmidt-Lehman** |
| **SUBJECT:** | **Update on Hope Lutheran Church v. City of De Pere Litigation*** |